FUTURE SKILLS ISSUES AFFECTING INDUSTRY SECTORS IN WALES

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Social Care Sector

Futureskills Wales

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Executive Summary

Introduction

This document is one of a series commissioned by the Future Skills Wales Research Forum. The overall project aims to extend and complement the work begun by the original Future Skills Wales project, which forecast future generic skills needs across Wales using forecasting and survey data. The current project adds studies of future vocational skills needs within key sectors in Wales. Each sector study is based on desk research and qualitative interviews with practitioners and a small number of employers, and aims to provide an overview of the sector, the skills issues, and current and potential actions to further strengthen the sector.

Businesses and employees in each of the sectors studied have achieved great successes; that is why these sectors have become important for Wales. Our focus on current skills issues should not obscure these achievements or the determination of all concerned to meet current challenges.

Sector Profile

- The social care workforce of 70,000 (full-time and part-time) represents 4% of the total workforce in Wales, employing a similar number to the business and finance sector.
- The social care sector is complex. It is made up of three sub-sectors, the public, private and voluntary, delivering services in a range of home, community and residential settings to a diverse range of clients.
- The balance of public to independent provision varies across service areas and in localities. This mix is primarily driven by the commissioning and service strategies of local authorities that are developed within national policy frameworks.
- The main vocational skill areas include social work and care skills with over a quarter of employees in the sector working as care assistants.
- The majority of services delivered are publicly funded, but the independent sector has grown significantly in the last 20 years and over half of the total workforce is estimated to now work in the private sector.
- The majority of employment in social care is located in South East Wales. Between 1990 and 2000 employment in the sector in North Wales grew by 30%.
- Trends across the sub-sectors cannot be predicted at this stage as some are predicted to decline, others are expected to grow, for example the delivery of intermediate care and rehabilitation services. However, overall the social care sector is expected to grow, and at a faster rate than the Welsh economy as a whole.

Skills Issues

- A significant proportion of workers in the sector, especially in residential services sub-sectors, have no formal qualifications.
- Employers report some difficulty in recruiting and attribute this to low levels of wages that are in turn reported as being due to low operating margins. Research is currently underway assessing the barriers to entry into the sector workforce and relevance of provision to meet the needs of employers.
- Training is relatively well established in the sector but employers report difficulties in the delivery of work-based assessment, particularly in settings where services are delivered in the user's home or in a wider range of community settings. There is a need to ensure that a greater proportion of the training that does take place leads to a qualification outcome.
- There is currently limited funding support available for the independent sector to assist with embedding vocational training, although there has been considerable activity seeking to disseminate good practice in the delivery and management of work-based training.
- Vacancy rates in some occupations are reported at much higher levels than the national average and employers consulted report concern with high rates of turnover. The introduction of new national standards for the sector is expected to lead to closures amongst small independent care home operators. This may represent a challenge to the sector in ensuring that experience staff are retained within the workforce and their skills and experience re-deployed in other settings.

Current Changes and Action on Skills

- The sector is undergoing some fundamental changes. The Better Wales strategy sees the social care sector as key to the delivery of social inclusion objectives representing a shift in policy focus from targeting areas of greatest need to social inclusion.
- Across social care service areas, new policy is being developed to respond to this change and is driven by:
  - increased focus on empowerment of the user and promoting independence where appropriate;
  - the need for flexibility to meet the needs of the users to deliver services at home, in the community or in a residential setting;
  - partnership working to dovetail care services with primary health care and sectors delivering social inclusion and regeneration activities.
- There is considerable focus on the skills and competence of the workforce through the introduction of the Care Standards Act and establishment of the Care Council for Wales, which will incorporate the functions of the NTO, TOPSS Cymru, and be responsible for the registration of the social care workforce.
- Key functions of the Care Council will include the regulation of the social care workforce including establishing the qualification attainment required for the registration of social care workers. The Care Council, in partnership with government, will also develop a Skills, Qualifications and Training Strategy for the sector by 2002.
- A considerable body of research, consultation and developmental work has been undertaken and is planned by TOPSS Cymru to prepare for this transition. This includes:
  - the use and refinement of workforce information to predict with employers the skills, training and qualification needs required by the sector;
  - agreeing with employers the qualifications framework for the sector including those required at entry to the social care workforce;
  - agreeing with employers the career pathways for the sector;
  - assisting employers develop Human Resource Strategies that will meet the requirements of their service strategies;
  - progressing the Occupational Standards Strategy;
  - preparatory work for the development of the Skills, Qualifications and Training (STQ) Strategy including the creation of an Entry to the Social Care Work force Strategy.
- Given that there is considerable change underway, the exact impact on skills needs in the sector will become clearer as the new structures and strategies are developed;
- The following recommendations, therefore, focus on the actions required of relevant bodies in order to secure the resources and support that will be needed to ensure that the vision set out for the social care sector in the 21st century is achieved.

Themes & Recommendations matrix

Theme No:	Rec. No:	Action	Timescale	Key Partners
1	1a	A strategy should be adopted to increase understanding of the importance, size, nature and complexity of the social care sector in Wales, including regional differences. This will assist in strategic planning for the appropriate post 16 funding to meet the sector's skills, training and qualification needs	April 2001	TOPSS Cymru/ CETW/NafW
	1b	A strategy should be devised to inform CCETS understanding of the sector on a local basis in order to deliver the appropriate provision that will meet the sector's skills, training and qualification needs as outlined in the Entry to the Workforce Strategy and STQ Strategy	April 2001	TOPSS Cymru/ WLGA/FE/CETW
2	2a	Delivery of the STQ Strategy needs to be supported by ensuring • the development of effective work based assessment and verification; • the development of awards in full partnership with the NTO in Wales	on-going	Awarding bodies/ TOPSS
	2b	Increased collaboration and work to ensure that the sector has access to Awards, training providers and assessment centres of the appropriate quality and variety	on-going	ACCAC/ Awarding bodies/ CETW/TOPSS
3	3a	Employers and service providers across the sector need to ensure that their employees are appropriately skilled and qualified for the work that they undertake	on-going	All
	3b	Cyngor NTO Cymru Social Sector Group to support the work in the sector by taking forward the Skills Strategy for Social Inclusion	on-going	Cyngor NTO Cymru
4		Widen dialogue on skills and qualifications issues with independent sector employers and further promote joint working to address these	on-going	TOPSS Cymru
5		Raise profile of the caring services as a positive career option	end 2002	Careers/EBLs/ TOPSS Cymru
6		Undertake wider research on market trends in independent and voluntary sector	April 2002	NafW

1. Introduction

1.1 This document is one of a series commissioned by the Future Skills Wales Research Forum. The overall project aims to extend and complement the work begun by the original Future Skills Wales project, which forecast future generic skills needs across Wales using forecasting and survey data. The current project aims to add studies of future vocational skills needs within key sectors in Wales.

1.2 Businesses and employees in each of the sectors studied have achieved great successes; that is why these sectors have become important for Wales. Our focus on current skills issues should not obscure these achievements or the determination of all concerned to meet current challenges.

1.3 Each of the individual sector reports is complemented by a report on management and information technology skills issues across the sectors studied. This reviews the situation in each sector and draws out common themes and implications. This report covers trends in the social care sector and the vocational and other skills issues in Wales.

Method

1.4 The first phase of the study proceeded mainly by desk research and initial discussions with representatives from the NTO for the sector in Wales, TOPSS Cymru, and further consultations with a small number of sector representatives and employers. The consultations provided case study examples, and help to illustrate the analysis of vocational skills, the actions being taken in response to these, and the potential for further action or policy development. The reports aim to provide an introduction to the sector, a ‘snapshot’ of sector issues, and pointers to potential action.

2. The Social Care Sector

2.1 The Social Care sector, excluding health services, employs an estimated 4% of the total workforce in Wales and is similar in size to the workforce employed in the business and finance sector.

2.2 In this section we give an overview of the range of activities that take place across the sector, which is made up of a number of distinct sub-sectors and settings in which care services are delivered. This section also reports on some of the key changes that have taken place in the sector.

2.3 Finally, this section looks at the current drivers for change. The Social Care sector is strongly driven by the national strategic policy which in turn drives funding, regulation and commissioning arrangements, and in the care sector these are currently under-going fundamental change.

Definition of the Sector

Data Sources

2.4 This report covers the social work and care sectors. The classifications used to measure the activity vary, and currently there is no one source of data that provides a satisfactorily comprehensive account of the sector. This is due to the fact that the social care sector comprises three sub-sectors covering the statutory, private and voluntary (not-for-profit) aspects of activity. There is good quality information on the activities and workforce in the public sector as there is a systematic requirement for local authorities to report this. But there is less structured data on activities in the other two sub-sectors and there are strengths and weaknesses in the data sources and reporting on these areas.

2.5 The data used in this section come from a number of sources, each of which provides some in-sight into the profile of the social care sector. Using data from a range of sources has the disadvantage that coverage and classifications used by each varies, leading to some difficulties in drawing conclusions about the profile of the whole sector.

2.6 A recent workforce mapping exercise, undertaken by TOPSS Cymru[1], the Training Organisations for Personal Social Services in Wales, has brought together a wide range of information sources to estimate the size and structure of the workforce. This includes NAW STF returns, Social Services Statistics for Wales, LGMB Independent sector workforce survey, Independent Care Organisation Sector Challenge data, a WCVA survey of Voluntary Organisations and Labour Force Survey data. This research provides the most recent and comprehensive analysis of the workforce. The TOPSS research report has also highlighted the inconsistencies and gaps in the available data and development work is underway to further develop sector workforce information.

Sector Activities

2.7 The demand for social care services is driven mainly by national policy and priorities and local service strategies developed by local authorities. The statutory sector, located within local authority Social Services Departments (SSDs) across Wales, undertakes regulatory activities, develops local service strategies, and commissions services from the independent sector, in addition to the provision of social care services.

2.8 Changes to regulatory and funding regimes (discussed below) have led to an overall increase in the proportion of services delivered by the independent sector. Nationally, the independent sector has a workforce that is now estimated to be larger than that in the statutory sector.

2.9 The actual balance, at the local level, of public and independent sector provision differs across local authority areas. The current balance is a function of an individual authority's own funding and purchasing strategies developed within national policy frameworks. Whatever the actual level of contracted services, local authorities retain the responsibility for commissioning publicly funded care and are accountable for it.

2.10 The Social Care sector includes a diverse range of activities. The table below (**Table 2.1**) shows the principal activities covered by the sector, showing the range of settings in which services are delivered.

Table 2.1: Principal Activities
Administrative functions
Regulatory activities including inspection
Commissioning and client assessments
Residential and nursing home services
Day care services
Domiciliary or home care services
Other social care activities

2.11 Activities can be further divided into those offered to a specific client group including the elderly, children, those with physical, sensory or learning disabilities and those with mental health needs.

2.12 **Table 2.2** gives an overview of the activities recorded by Social Services Departments in 1997/8. Table 2.2 does not include the volume of activity that is purchased privately, but shows the diversity of activity in the sector and the range of settings in which services within one service area are delivered. For example, under the service area heading 'children looked after' the vast majority of children are cared for by foster carers, but young people in this client group may also be cared for in community homes, supported in independent accommodation, or may be in secure units.

2.13 In Wales, 20% of nursing care residents are funded through private means, however, this aspect of services represents a small proportion of the sector overall. The vast majority of social care activities are funded publicly. The key change that has taken place in the past 20 years is the increase in the proportion of publicly funded social care activity that is delivered by private and voluntary sector organisations under contract to local authorities.

[1]*TOPSS Cymru Workforce Projects (2000): Mapping the sector, Matching Qualifications to Posts.*

Table 2.2 Social Care Sector Activities - by client group
Extract of Social Services Statistics for Wales 1999

Client Group	Service Area	Activity (1998)#	Additional Information
Children	Children looked after	3,400 children looked after	of which 2,340 in foster care. 1,961 approved foster parents offer 3,121 foster places other activities include adoption services and those accommodated under Section 20, care orders and remand/compulsory orders
	Day Care Services for Children	39,841 full time and sessional places	612 local authority and 34,194 places in registered facilities and 5,035 out of school childcare places. There are 17,484 registered childminders
Older People	Assessment Outcomes	58,490 assessments	47,471 non-residential care packages. 2,577 placements in nursing homes. 1,165 placements in local authority residential homes. 2,390 placements in independent residential homes
	Homes for older people	689 homes 12,886 residents	4,549 residents in local authority residential homes. 8,337 residents in independent nursing and residential homes
	Non residential Care Packages	10,408 day care 29,024 home care	683* residential and nursing respite care. 15,695* meals.
People with physical or sensory disability	Assessment Outcomes	15,411 Assessments	4,911 non-residential care packages. 66 placed in nursing homes. 65 placed in local authority residential homes. 81 placed in independent residential homes. Non-residential care support includes day care, home care, meals, aids and adaptations and respite care. Other activities include the issue of vehicle badges
	Homes	22 homes	6 local authority and 16 independent homes
		383 residents	
People with Learning Disabilities	Register of Persons	11,771 registered of which 8,892 aged 16+ and 2,899 u16	9,277 with community living arrangements of which 1,241 in own home, 7,664 living with family, 464 in health service accom, 430 in local authority residential accom and 1,526 in independent residential accom.
	Assessment outcomes	1,572 assessments	8 placed in nursing care. 112 placed in residential care. 1,385 non-residential care packages which can include day care, home care and meals.
	Homes	235 homes 1,697 residents	72 local authority homes. 163 independent homes
People with Mental Health	Assessment outcomes	3,533 assessments	39 placed in nursing care. 161 placed in residential care. 1,981 non-residential care packages which can include day care, home care, meals and respite care.
	Homes	72 homes	28 local authority homes. 48 independent homes
		617 residents	
General Services For Adults	Local Authority Day Care	327 centres	places per week: 31,920 for those with learning disabilities, 5,985 for those with mental health problems, 36,483 for elderly 3,801 for those with a physical/sensory disability
	Volume of Day and Domiciliary Care	11,5million hrs of home care, 3.7m sessions of day care, 3.0m meals	18.9% provided by the independent sector 5.7% provided by the independent sector 5.5% provided by the independent sector

Source: Social Services Statistics for Wales 1999 *#assessment outcome data for 1997*
**incomplete data - no return from a small number of local authorities*

Employers

2.14 The care sector is diverse in terms of the size and nature of the three main sub-sectors: the Social Services Departments, the private and voluntary sectors. The type of employer found in the private sector varies considerably, from large UK-wide care organisations to single site owner managed businesses. Similarly, in the voluntary or not-for-profit sector, organisations vary considerably in size from UK-wide providers to small local organisations. Consultees in the private and voluntary sector noted that, in many respects, not-for-profit and private sector organisations, particularly those operating as contractors to the public sector, now have more similarities than differences, for example, they face similar management, recruitment and skills issues.

Employment

2.15 The TOPSS workforce research estimates a total workforce of 70,000 in the social care sector, as shown in **Table 2.3**. In most care settings, there is a significant proportion (up to 70%) of staff employed on a part time basis. Some staffing estimates are made from the total hours contracted by Social Services Departments for certain services, hence the full time equivalent number of employees in the sector including all part-time staff cannot be measured at this time.

2.16 Table 2.3 indicates the relative sizes of the statutory and independent sectors. Just over a third of the workforce is estimated to be employed in the statutory sector and under 10% in the voluntary sector, with just over half in the private sector.

Table 2.3: Estimated Number of Employees in the Social Care Sector in Wales

Statutory	26,430	37.5%
Private Independent	37,730	53.6%
Voluntary	6,257	8.9%
Total	**70,417**	**100%**

TOPSS Cymru Workforce Project: Mapping the Social Care Sector. May 2000

2.17 In the statutory sector 14% of staff are employed in 'headquarters' activities, over a third (37%) are employed in the delivery of home care services, just over a quarter (26%) in the delivery of residential services, and 15% in day care. A further 8% are employed as social workers.

2.18 Within the independent sector the private sector employs an estimated 37,730, of which just under two thirds (63%) work in residential and nursing homes, 30% in childcare and 7% in (publicly funded) domiciliary care.

2.19 In the voluntary sector 41% are employed as managers and supervisors, and a third as administrative and clerical staff, giving an indication that a significant amount of direct care is delivered by the volunteer workforce which is not included in the above estimates. Further data on the composition of the volunteer workforce in Wales will be reported in the Voluntary Sector NTO's Skills Foresight analysis.

2.20 Growth in the sector has been reflected in employment trends. For example, research undertaken by IDEA in 1999[2], indicated that the sector workforce increased by over 16% in the period 1994-1999. This compares to a figure of 5% increase in all employment for Wales as a whole across the same period.

2.21 Another key feature of the social care workforce is its age profile, with the sector employing a relatively high proportion of older workers. The Labour Force Survey data in 1998/9 on the 'social work industry'[3] indicates that a quarter of all staff in the sector were aged 50+ compared to 20% for the workforce in Wales as a whole. However, the proportion of younger people in the social care workforce has been rising. The period 1994/5 to 1998/9, saw the sector labour market grow by an estimated 9,000. During this period the number of those working in the sector aged under 35 grew by an estimated 11,000, with the number employed aged 35-49 declining by 2,000[4].

Occupations

2.22 The occupations across the sub-sectors are listed in **Table 2.4** which shows a classification of occupations used in the statutory sector staffing returns for social work and social care to the National Assembly.

2.23 The occupations are reported across the settings in which care services are delivered, and by client group. Work being undertaken by TOPSS Cymru in 2000/01 will involve consulting with the sector to refine these definitions, but the table shows the wide range of occupational areas that are located in the sector.

[2]*Workforce Audit of the Personal Social Services: Wales June 1999. Improvement and Development Agency for TOPSS (UK Partnership).*
[3]*Standard Industry Clasification Codes 8531 and 8532.* [4]*Labour Force Survey (1994/5, 1998/9).*

Table 2.4: Occupations in Staffing Returns

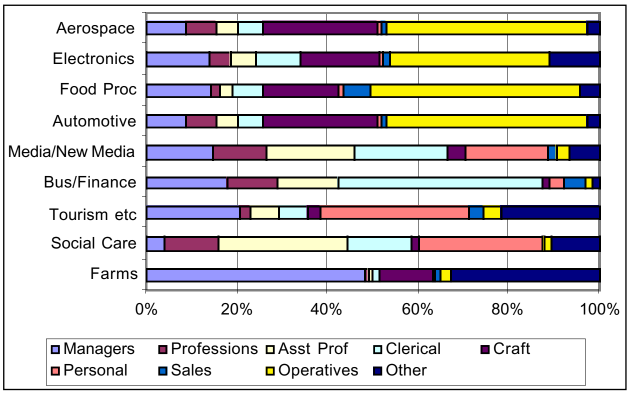
Setting	Social Care Occupations
Headquarters, Social Workers and Domiciliary Staff	
Headquarters & Area Offices	Senior Directing, Other Manager, Adviser/ Planner/ Researcher, Training Officer, Inspector, Community Worker, Home Care Organiser, Occupational Therapist, OT Assistant, Mobility/ Rehabilitation Officer, Other Staff.
Services for Children	Social Work Team Leader, Social Worker, Social Work Assistant, Home Carer/ Family Aide/Domiciliary Carer.
Services for Adults	Social Work Team Leader, Social Worker, Social Work Assistant, Home Carer/ Family Aide/Domiciliary Carer.
Hospital/Clinic Settings	Middle Manager, Social Work Team Leader, Social Worker, Social Work Assistant.
Residential Services Staff	
Services for the Elderly and Mentally Infirm	Manager/Officer in Charge, Deputy/Assistant Officer in Charge, Care Officer/ Assistant Care Officer, Social Worker, Other Staff.
Services for People with Physical Disabilities	Manager/Officer in Charge, Deputy/Assistant Officer in Charge, Care Officer/ Assistant Care Officer, Social Worker, Other Staff.
Services for People with Mental Health Problems	Manager/Officer in Charge, Deputy/Assistant Officer in Charge, Care Officer/ Assistant Care Officer, Social Worker, Other Staff.
Services for People with Learning Disabilities	Manager/Officer in Charge, Deputy/Assistant Officer in Charge, Care Officer/ Assistant Care Officer, Social Worker, Other Staff.
Services for Children & Adolescents	Manager/Officer in Charge, Deputy/Assistant Officer in Charge, Care Officer/ Assistant Care Officer, Social Worker, Teacher/Instructor, Other Staff.
Day Services Staff	
Services for the Elderly and Mentally Infirm	Manager/Officer in Charge, Deputy/Assistant Officer in Charge, Day Services Officer/ Assistant, Social Worker, Other Staff.
Services for People with Physical Disabilities	Manager/Officer in Charge, Deputy / Assistant Officer in Charge, Day Services Officer/Assistant, Social Worker, Other Staff.
Services for People with Mental Health Problems	Manager/Officer in Charge, Deputy/Assistant Officer in Charge, Day Services Officer / Assistant, Social Worker, Other Staff.
Services for People with Learning Disabilities	Manager/Officer in Charge, Deputy/Assistant Officer in Charge, Day Services Officer / Assistant, Social Worker, Other Staff.
Services for Children & Adolescents	Manager/Officer in Charge, Deputy/Assistant Officer in Charge, Day Services Officer/Assistant, Social Worker, Other Staff.
Multipurpose Day Centres	Manager/Officer in Charge, Deputy/Assistant Officer in Charge, Day Services Officer/Assistant, Social Worker, Other Staff.

** TOPSS Cymru Workforce Project: Mapping the Social Care Sector. 2000*

2.24 Recent forecasts by Business Strategies Limited (BSL) provide estimates of the number of employees by occupation in the social care sector and the other eight sectors that are the focus of the Future Skills Wales Sector studies project. Figure 2.1 shows the BSL estimates. These highlight the relatively high proportion of professional and associate professional employees in the sector and, as one might expect, a high proportion of employees in the 'personal' services occupations which include care assistants.

2.25 **Figure 2.1** also suggests that the social care sector is characterised as having a low proportion of managers. However, data from other sources estimates that the voluntary sector has 41% of staff that are managers and the local authority sector has 14% of staff in these occupations. This discrepancy is likely to be due to differences in the classification of some social care activities, notably in other sectors such as public administration.

Figure 2.1: Sector Occupational Profiles, 2000



Source: BSL

Employment by Region

2.26 The BSL data also gives an estimate of the distribution of employment in the care sector in each Welsh Region (Table 2.5). Again some caution is needed when using this data as, overall, the size of the workforce measured using the BSL data is considerably smaller that than that estimated by the recent TOPSS research, which uses a range of sources to estimate workforce numbers. The BSL data does, however, give an indication of the relative size of the sector workforce by region, and indicates that almost half of sector employment is located in South East Wales.

Table 2.5: Estimates of Employment in the Care Sector by Region, 2000

North Wales	12,300	23.8%
West Wales	10,050	20.8%
Mid Wales	4,950	9.5%
South East Wales	23,540	45.6%

Source: BSL

2.27 Employment in the care sector in North Wales is estimated to have increased by over 30% during the 1990s and grew at a relatively faster rate than employment in the rest of the sector. In contrast, employment in the care sector in mid-Wales remained fairly stable and only grew by an estimated 2% in the same period.

Changes in the Sector: 1980-1998

2.28 The sector faced a period of considerable change in the period from 1980 to the mid 1990s, with a number of factors leading to changes in the profile of the social care sector in this period; these include:

- changes in community care practice to targeting those in most need;
- the changing demographic profile;
- changes to the benefits system;
- the introduction of the NHS and Community Care Act in 1990;
- the introduction of the Direct Payments Act in 1996;
- local government re-organisation;
- the Local Government Act introducing the Best Value regime.

2.29 These changes have had a number of implications for the structure of the sector and the balance of demand and supply.

2.30 In certain areas, for example domiciliary care, the dynamics of the market are changing with the increase of direct payments (of public funding) to individuals shifting purchasing power to service users.

2.31 The devolution of responsibilities for local services enabled each local authority to make an assessment of the demand for and supply of services and to develop service strategies in the light of funding available. At the local level this has led to differences in the balance between local authority and independent provision. These strategies are determined partly by the way in which an authority views, for example, the costs of residential provision in comparison to the costs of a community based alternative which might include domiciliary care, housing support and attendance allowance costs. Factors such as the lack of capital in the public sector may also lead to a shift in provision from the public to the independent sector.

2.32 Community care strategies have driven a shift in the focus of the support given to more vulnerable clients, many of whom are now more likely to live and be supported in the community. This shift in emphasis, therefore, has impacted on the delivery of services that enable delivery in the community, with a consequent impact on demand for and nature of residential care provision.

2.33 The increased delivery of support for people in their homes or in community settings, has also changed the nature of care services. Models of service delivery have become more flexible and within a particular service area clients may be supported in residential, community or home care settings, depending upon their actual need, preferences and the profile of local provision.

2.34 The case study below gives an illustration of how these factors combined to influence the changing profile of one service area, residential care for the elderly, in the period between 1980 and 1998.

Case Study: Changes in The Profile of Residential Care for the Elderly 1980-1998

Figure 2.2 (overleaf) shows that

- overall, the number of residents in homes for the elderly rose from 9,000 to over 12,800 between 1980 and 1998;
- the proportion of residents aged 85+ rose from 41% to 64%;
- the proportion of residents in local authority homes for the elderly fell from 80% of the total in 1980 to 35% in 1998 and the total number of residents cared for by the independent sector (private and voluntary) increased five fold.

The numbers resident in local authority homes for the elderly declined at a relatively steady rate over the period. In contrast, the rate of growth of residents in the independent sector fluctuated. Between 1980 and 1990 there was significant growth in the independent sector with the number of elderly residents increasing from 1,770 to over 4,000 between 1980 and 1985 and again to over 7,000 by 1990. This was caused predominantly by changes in the benefits system that encouraged growth in this sector. The NHS and Community Care Act of 1990 halted this rate of increase and, during the 1990s the number of elderly residents in the independent sector has plateaued, growing steadily but at a much slower rate, rising to 8,300 residents in 1998. Between 1980 and 1990 the number of number of independent homes for older people increased five fold from 101 in to 503. However, between 1990 and 1998 the total number of independent homes for the elderly increased by a further 29.

Prospects for the Future

2.35 Based on past trends, employment in the care sector workforce is expected to grow in the short term. The TOPSS UK Workforce audit in Wales estimated this to be between 2.5%-3% per annum. The Business Strategies Limited forecasts commissioned by the Future Skills Wales Research Forum (BSL, August 2000) also forecast continued growth in employment in the sector in the medium term, followed by a slight decline in employment toward the end of the forecast period (2010). North Wales is expected to see stronger employment growth than the other regions, continuing the trend seen throughout the 1990s. Overall, these forecast movements in employment are fairly modest, with employment in the sector across Wales seen as peaking in 2004 at 5% up on the figure for 2000, then declining slightly again to just 2% up on current levels by 2010. A separate report on these forecasts is being prepared by BSL for the Future Skills Wales Research Forum.

2.36 These forecasts are based on past trends and assumptions that are based on growth projections for the economy as a whole. In addition to these 'top down' quantitative forecasts, prospects for the future need to be assessed within a range of scenarios for the future for the care sector. Scenarios suggested by consultees include:

- **high:** growth in demand for social, especially elderly, care services in both the statutory and private sectors, which will be largely met via the independent sector;
- **medium:** increased focus on regulation and standards will drive some independent organisations out of the market, leading to a consolidation of provision in a smaller number of larger independent organisations;
- **low:** tight local authority budgets will limit the scope for increasing the volume of services because although demand will increase, eligibility criteria will be tightened, resulting in a low growth scenario for the social care sector.

2.37 The actual outturn will clearly be affected by the significant changes that are currently taking place in the sector.

Current Drivers of Change

2.38 The National Assembly's broad agenda for change is set out in the **'Better Wales'** strategy in which the social care sector is seen as key to supporting the achievement of social inclusion objectives at the heart of the national strategy.

2.39 This represents a fundamental shift in focus of national policy for the social care sector from a model based on the targeting of service for those in greatest need, to one focused on social inclusion and the empowerment of users.

2.40 The articulation of the role of the Social Care sector in the achievement of the 'Better Wales' vision is set out in the **'Building the Future' White Paper for Social Services**, which sets out five key principles for the modernisation of the social care sector. These are:

- promoting an inclusive society;
- supporting and promoting effective social services, providing Best Value on a fair and consistent basis;
- providing support for those who need it, in a safe environment that promotes dignity;
- encouraging and supporting those who can do so to build their independence;
- promoting the development of a high quality workforce.

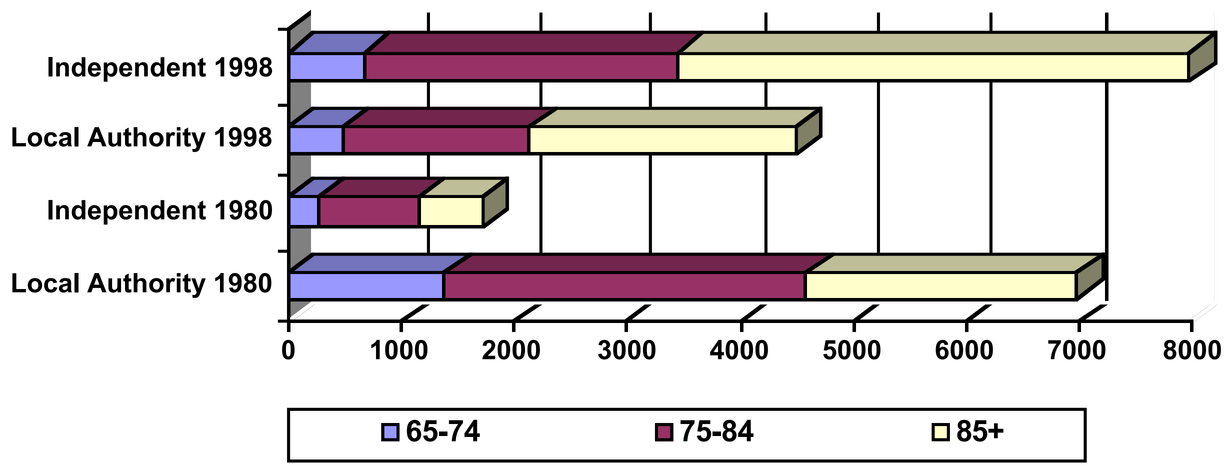
2.41 Hence, developing the workforce is given prominence in this vision of the future of the social care sector.

2.42 The impact of the shift outlined in the Better Wales strategy and White Paper can be seen in the strategic documents affecting the wide range of social care service areas, notably:

- the assembly's strategy for children, emphasising partnership between social services, education and health, and promoting specific initiatives such as 'Children First';
- the draft mental health strategy (June 2000);
- the national carers strategy;
- the all Wales learning disability strategy;
- the 1999 Health Act and guidance on 'New Flexibilities' giving increased focus to joint working between the social care sector and the primary health sector;
- the Assembly Secretary's speech 'Partnership for Progress: Community Care in the 21st Century', setting the vision for more effective joint working between health, social services and others including education and housing.

2.43 Many of the implications for change that affect the workforce are brought together within the **Care Standards Act** which seeks to provide a framework to enable the development of the social care workforce to meet the demands of this new strategic setting. This agenda sets out an

Figure 2.2 Social Care - Elderly Residents by Age and Provider



expectation that these changes will happen quickly. The new legislation outlines measures to increase regulation and require registration of the workforce, and will set standards for qualification attainment by the workforce. The Act establishes, by 2002:

- a Care Council for Wales to regulate and raise standards in the social care workforce;
- the National Assembly as the single regulator of social care and non-NHS health care in Wales;
- a Children's Commissioner for Wales.

2.44 The core tasks of the Care Council will be to regulate the workforce and ensure that workers receive the appropriate training and attain the right qualifications needed for their role. These new powers will be achieved through enforceable Codes of Conduct and Practice Standards that will apply to all social care staff, a Code of Practice that will apply to all employers, and the registration of individuals. The register aims to improve quality and raise public confidence in the sector, and the Care Council will have the power to set the entry level requirements for the register and exclude or suspend from it.

2.45 A number of mechanisms have been established to help ensure that the development needs of the workforce are known and addressed. **Section 4**, Action on Skills, looks at these in more detail. The following section outlines key skills issues currently faced in the social care sector.

3. Sector Skills Issues

Main Vocational Skills in the Sector

3.1 There is a broad range of skills required by those working in this diverse and complex sector. In broad terms the main vocational skills in the sector are the commissioning skills of headquarters staff, care needs assessment skills, management skills of those delivering in the public and independent sectors, and the specific social work and social care skills of staff working across the range of service areas.

3.2 The table below (**Table 3.1**) shows the distribution of employment across the key occupations in the sector. It must be noted that the figure for total employment does not match workforce estimates shown above as this data is taken from Labour Force Survey data which has a narrower definition of the workforce than that used in the recent, and more comprehensive, workforce mapping study undertaken by TOPSS. The data in Table 3.1 does, however, help to highlight the extent to which a large proportion of employees in the sector are working as care assistants and in the 'other' service occupations in the sector.

Table 3.1: Occupations in the 'social work industry' in Wales 1998/9

	Number	%
Social Worker	2,000	3.3
Welfare/Youth/ Community Worker	5,000	7.8
LG clerical	1000	1.2
Care assistant	26,000	39.8
'Other' childcare	3,000	4.4
cleaners, helps	4,000	6.1
others	24,000	37.4

TOPSS UK June 1999

Vocational Skills Supply

Qualifications

3.3 UK-wide, workforce lifelong learning qualifications targets have been set at 60% of the workforce with NVQ level 3 or equivalent and 30% with NVQ level 4 or equivalent. The table (**Table 3.2**) indicates that the current level of qualifications across the social care workforce is considerably below the National target levels, particularly in the residential social care sectors, where an estimated one in five have no formal qualifications.

3.4 As part of the development work preparing for the Care Council for Wales, work led by TOPSS is consulting widely with the sector to specify the matching of qualifications to posts across the sector. Research in this area already undertaken by TOPSS, suggest that up to two thirds of employees in the statutory sector are working in posts at a competence level equivalent to NVQ level 2. The structure of the care sector workforce suggests the need to focus on raising attainment of the large number of employees working in job roles requiring competency equivalent to NVQ Level 2.

3.5 Initial research undertaken has also indicated that a high proportion of the workforce do not have qualifications relevant to their post and that many of those with relevant qualifications have awards accredited by a wide range of awarding bodies, making any comparison between awards more complex and making it harder for employers to understand the relevance of an award to a specific job-role[5]. Further development work, in consultation with the sector, is underway to specify the qualifications required for posts in the sector.

Entry to the Labour Market

3.6 There has been a significant increase in the number of young people working in the sector. However the social care workforce still has a relatively older age profile, and the employers consulted in this study indicated that they face some difficulties in recruiting staff and attracting new entrants to the workforce. However, currently there is limited structured data available to give a clear assessment of the routes employees take into the sector and the destinations of those taking social care qualifications.

3.7 Entry to the workforce is a key topic currently under investigation by TOPSS Cymru which is developing the Entry to the Social Care Workforce Strategy by February 2001 as part of the preparation work for the Care Council. The Entry to the Workforce strategy will agree, in consultation with the sector, the skills and attainment requirements needed at the points of entry into the sector, and careers and qualification pathways from the point of entry including the place of Modern Apprenticeships and National Traineeship frameworks in Health and Social Care. This work will also examine the fitness for purpose of FE provision to meet employer needs in this area. The Entry to the Workforce Strategy will form part of the overall Skills Training and Qualification Strategy for the sector that TOPSS Cymru is developing in partnership with government.

3.8 Key points to note about entry to the workforce are as follows:

- a significant proportion of FE students (11% of full and part time registrations) study Health and

Table 3.2: Highest Qualification Held, Wales Labour Force Survey Winter 1999-2000

NVQ Level or Equivalent. % of the workforce

	Base	Level 5	Level 4	Level 3	Level 2	Level 1	No Quals	%
All Sectors	1,211,785	4.6	18.7	9.5	29.9	23.2	12.5	100
Social work with accommodation	20,509	2.0	11.9	4.6	20.5	35.8	21.2	100
Social work without Accommodation	37,953	11.5	19.5	7.4	24.1	31.0	6.5	100

Labour Force Survey 2000.

[5] *TOPSS Cymru, 'Matching Qualifications to Posts in the Social care Sector in Wales'. May 2000.*

Social Care courses. A total of 40,600 students' qualification aims were in care subjects in 1997/8;

- these courses, however, have a relatively high rate of drop out. Qualitative evidence also suggests that some younger staff undertaking training in care in the independent sector will then use this experience as a route into nursing rather than social care professions;
- around 300 students per year enter Diploma in Social Work courses which are available via full, part time, and distance learning. Accreditation of prior learning has also been developed to support access to DipSW provision. The White Paper, Building for the Future, noted the need to ensure that barriers to access to the programme continue to be addressed.

Workforce Training Infrastructure

3.9 It is recognised that there is a considerable amount of training activity in the sector and although NVQs are relatively well established in the sector, there is also a need to ensure that a greater proportion of training activity is focused towards outcomes that include qualification attainment. Sector research in 1996[6] highlighted that difficulties faced in implementing NVQs are mainly found to be due to problems with delivering work based assessment.

3.10 The employer case study overleaf highlights a number of the issues faced by organisations in the sector seeking to develop work-based training and assessment.

Employer Case Study – Looking to embed training and NVQs

This voluntary organisation operates UK wide with 800 staff, many of whom work part time or on a sessional basis. Overall, the organisation delivers 80 projects, and across Wales delivers services for local authorities providing homes for adolescents and respite care. As corporate and individual funding for the voluntary sector has declined, the organisation has generated a higher proportion of its revenue from contracts with the statutory sector and is now increasingly operating on a commercial basis.

The key challenge for skills development is developing effective ways of delivering training and support to those 'in the front line' when time, resources and other commitments are pressing. In addition to the focus on qualification attainment as part of the requirements of the new legislation, there is also demand for training and support from staff to help them deal with difficult behaviour and to work in a wider range of settings in which services are now being delivered. Furthermore, management skills need to be developed as care services are increasingly based on a cocktail of funding which needs to be closely managed to ensure accountability and that outcome targets are achieved.

Skills development needs to be largely work-based and this has implications for how services themselves are developed and managed. The logistics and management of work based assessment are complex and project managers need to build in time and resource to do this. The organisation has been working to develop job and project specifications to include responsibilities for the supervision and assessment and support for staff working towards NVQs.

There is limited scope to take staff away from 'the front line' and there needs to be greater flexibility built into training and assessment of qualifications. The organisation has developed better links with partners to find practical solutions to tie in training and development activities within organisational structures. This includes undertaking joint training with Social Services and housing association staff, sharing resources and using secondments which also help to develop cross sector relationships.

The development of joint solutions to skills development has been ad-hoc, building on successful local partnerships. There has been a mixed response from the TEC network for requests to support training, indicating the need for a more strategic level response nationally to underpin the infrastructure development that will be needed to achieve attainment targets set for the sector.

Funding Training

3.11 Funding for training in the care sector is available to the public sector via the Welsh Assembly's Training Support Programme (TSP). The current guidance for the TSP emphasises the focus on attainment of training outcomes, and childcare is identified as a current priority in the criteria for TSP funding.

[6]*South Glamorgan TEC. Astudy of the Health and Social care Sector in South Glamorgan. 1996*

3.12 Although the TSP guidance recommends that local authorities work in partnership with the Independent sector in developing training solutions, feedback from employers suggest that there has been some joint working developed with the voluntary sector, but there is less evidence of developing joint training solutions with the private sector.

3.13 Although there is a relatively strong culture of training and development within the sector, the tight margins on which the sector operates limits employers' capacity to fund training and support staff development through supervision and assessment. Hence, internal structures for training in the independent sector are reported as relatively weak.

3.14 Employers also raise concern that, given low wages in the sector and the increasing demands made of staff, the motivation for some individuals in low paid occupations to train is relatively low, as there is limited scope for training and attainment to be rewarded. Other employers expressed concern that the factor of low wages coupled with increased requirements for qualification attainment will combine to have an adverse affect on retention in the sector workforce, where in lower skilled jobs, staff may opt to leave the sector altogether to work in sectors that pay similar rates and offer a relatively easy working environment.

3.15 There has been limited support available for sector training initiatives via the TEC network. The composition of the workforce means that many of those seeking to develop skills at NVQ level 3 or equivalent are aged over 25. The age restriction in funding Modern Apprenticeships has meant that the sector has had less access to funding for training when compared to other sectors where new entrants aged under 25 are working in 'level 3' jobs.

Other Labour market issues

3.16 Employers report difficulties related to fee rates and staffing problems. Recent research[7] has indicated that the fees paid by local authorities may not cover the marginal costs of provision. Independent sector employers cite low market prices as the key reason for relatively low levels of wages across the sector, an issue that in turn contributes to recruitment and retention problems. For example, vacancy rates were reported in the 1998 Workforce Study as being 25% for part-time community workers and 13% full-time day service officers/assistants for children, although the overall vacancy rate for the Welsh SSDs was 4% compared to 7% for England.

3.17 Occupancy rates in the independent residential sector across the UK currently average 86%, a figure which facilitates the management of flows in and out of care. However, qualitative feedback from a small number of employers in the independent sub-sector has suggested that the growth in the market for residential care for the elderly has led to a current position of oversupply of elderly care in the private sector market , notably in North Wales.

3.18 If oversupply is present, it cannot be sustained in a competitive industry for long. Private sector employers indicated that the downward pressure on prices paid by public sector purchasers, coupled with increasing costs associated with the introduction of the minimum wage and the costs of raising standards will lead to rationalisation in the market with smaller providers being particularly affected.

3.19 Further analysis is required to assess the extent to which this is an issue facing this sector across Wales, and whether there is an over-supply of places in other sub-sectors that may threaten the viability of some operators. Of key concern in relation to the skills issues facing the social care sector is the need to understand any potential impact of closures on those working in these businesses. In particular, there is a need to assess whether they will return to work for other employers in the sector or will need help to do so through retraining or other support to re-deploy their skills.

Future Skills Demand

3.20 The impact of the changes taking place in care policy coupled with demographic changes and changes in the nature of services implies increased demand for social care workers and changes in the skills needed by workers across the sector. The precise nature of this is not known, given that the requirements for the sector have not yet been set, and these will be informed by strategy which is currently being developed. However, a number of key points can be raised at this stage:

- the increased focus on the empowerment and rehabilitation of clients requires further development of the skills to understand and respond to service users' needs;
- the increasing focus on working in partnership to deliver more integrated support packages requires workers to understand more about the context in which partner organisations are working and to work flexibly, possibly in a range of settings and locations;
- the increasing complexity of service delivery puts more emphasis on the need for good management skills across the sectors. A post-qualifying framework is in place for those holding social work qualifications and work is currently underway to develop national occupational standards for Registered Managers that will include the care and management functions of these roles;
- many social work carers in day, domiciliary and residential care settings do not have the competencies required to meet the changing needs of the sector;
- occupational standards have been developed for these functions and guidance issued to service providers. The key challenge remains in ensuring that human resource strategies are developed alongside the service development taking place within the new policy framework, and that occupational standards are developed as the basis for these strategies;
- human resource strategies will need to be developed to reflect the changes taking place in the delivery of services in a more complex range of settings and ensure that workers at all levels

[7] *Recent research from Laing and Buisson and the Continuing Care Conference indicate that public sector fee rates are '£40-50 per week less than average rate of return.'*

have the appropriate knowledge, skills and competencies to respond to changes in their roles;

- the sector faces some recruitment and retention difficulties due partly to low wages but also reflecting the increasing requirements on workers in the sector to work un-social hours and support clients in a wider range of care settings. To encourage participation in the new agenda for the social work sector, there needs to be mechanisms for improving the status and reward for those working in it;
- to achieve targets for workforce attainment, work-based qualifications need to be further embedded. Good practice in this area has been disseminated in the sector and further support is required to help ensure cost-effective approaches can be developed and embedded across the sector and that provision meets the sector's needs.

3.21 In addition:

- Welsh language skills need to be further embedded in the workforce to ensure equality of opportunity in the delivery of social care services;
- there is also a need to develop care and the management of services via the use of new technologies, however, IT infrastructure and skills are at considerably lower in the social care sector than levels in other personal service sectors.

3.22 The employer case study below provides an illustration of some of the points made in this section relating particularly to the management of staff and the implications for employers of the Care Standards Act on training and assessment.

Case Study: Pen-y-Bryn Group, Swansea. Independent Care Home Employer

This employer in West Wales with over 200 staff is a private provider of residential care services to the elderly, those with mental health support needs and the severely disabled.

Through Care in the Community legislation, the distinction between health and social care for clients has become blurred, and within residential settings both types of services are delivered. The key implication for care staff is that, where previously care staff had been relatively unskilled, they now need to have higher level skills in order meet the more complex support needs of their clients or at the very least be aware of how to integrate their care with the support given by others.

The increase in the number of care staff required to meet the health needs of clients within residential and nursing settings leads to the need for managers/owners in the independent sector to improve their management skills. For example, a large number of organisations work on relatively tight margins, and managing the most efficient mix in utilisation of nursing and care staff is critical to ensure viability. This will become more pertinent if new guidelines require higher proportions of qualified staff.

The training culture within the group is well established with work-based assessors located across the range of residential care settings. However, TEC funding to further embed NVQ training has not been available to the sector. Although new entrants have access to funding via apprenticeship programmes, the bulk of the workforce (which is over 25) is in need of NVQ training at levels 1- 3 and is not eligible for mainstream funding. TECs have not seen the care sector as a priority when supporting workforce development through other funding streams.

The implementation of the Care Standards Act will help identify a wider range of skills issues in terms of the level and ratio of skills and qualifications needed across the social care workforce. It is less clear how, in Wales, structures and mechanisms (possibly through the CETW or CCET) will develop to help ensure that independent and public sectors can respond to the skills and qualifications issues that will be identified. Closer working needs to be developed between headquarters and the independent contractors to ensure that skills and qualifications issues are tackled effectively. There is still a culture of 'them and us' across all three major sub-sectors and this needs to be overcome. A critical issue that will need to be tackled by all sectors is increasing the number and calibre of young people coming into the sector.

"Joint initiatives need to be developed to raise awareness of the sector and the status of caring needs to be raised and rewarded through recognition and accreditation".

4. Action on Skills

4.1 Given the current focus on the skills, qualifications and regulation of the workforce, a considerable amount of development work is underway to seek to meet the needs of the sector. In preparation for the Care Council for Wales in 2002, work on skills in the sector, led by TOPSS Cymru, includes:

- developing workforce information to predict employers' skills, training and qualifications needs by developing a more comprehensive approach to data collection and analysis of the whole sector. The systems of registration of individuals will itself help generate better data on the sector workforce;
- developing, with social care employers and employment interests, the Entry to the Workforce Strategy, setting out the qualifications framework including those required on entry and career pathways;
- assisting employers to develop human resource strategies to meet the needs of their service strategies;
- progressing the occupational standards strategy;
- developing the Skills, Qualifications and Training Strategy in partnership with government.

4.2 In preparing for the transition of the NTO's responsibilities to the Care Council for Wales, TOPSS has also been developing representative structures to engage employers and employment interests across the sector in dialogues and working groups to feed into these activities and the national training strategy.

4.3 In addition, there has been a range of dissemination activities to develop good practice on skills issues including work with awarding bodies, employer guides and discussion on opportunities presented by the University for Industry.

4.4 At the regional level there has been less structured dialogue between the sector and the TEC network. Some sector fora have been established with TECs but the extent to which these have succeeded has varied. Employers report that this has partly been determined by the way in which TECs view the care sector, which employers characterise as 'patchy' and 'misconceived' with a lack of understanding of the size and structure of the sector, the relationship between the public and independent sectors, and the skills issues faced.

4.5 In the transition from the TECs to the CETW, sector employers identify both concerns and the possibility of opportunities to strengthen local sector networks and dialogues with funding bodies on skills and training issues.

4.6 Representatives of employers in the independent sector suggest that there is still a relatively low level of understanding about the implications of the new requirements for human resources and staff training. Feedback from employers in the independent sector has indicated that partnership working with SSDs has improved in recent years. However, it indicates that there is scope for further joint work, particularly to share information and analysis of data that can inform planning, to help enable employers to be better prepared for change and to respond to the need to be increasingly flexible in their delivery.

5. Conclusions

5.1 The aim of this study is to provide an overview of the social care sector and current skills issues. The review of the care sector in Wales highlights that the sector is complex and fragmented, offering services to a diverse range of clients in varied settings.

5.2 The majority of services delivered in the social care sector are purchased through public funding, however, the private sector is now a major provider of publicly funded social care services. Privately funded social care represents a small amount of total activity in the sector, and there is limited data on trends in the private sector market and workforce in Wales.

5.3 Change in the sector is predominantly driven by change in public policy. The sector is seen as core to achieving social inclusion objectives and, in the light of new national policy, there are a number of fundamental changes taking place in the sector: the focus of care is increasingly on empowerment of the user and promoting independence where appropriate, care services are being delivered in a wider range of locations and partnership working is developing to dovetail care services with those in other sectors.

5.4 The sector as a whole is forecast to grow and there will be an increased demand for staff to meet new service needs. As yet, there is no clear indication of how new legislation and policy will impact on the growth patterns of the different service areas and sub-sectors, where exactly the workforce will be located across the different service areas, and what the priorities will be for skills development.

5.5 New legislation establishes the Care Council for Wales which will oversee the registration of the social care workforce. Structures are being developed to address the new agenda, including the development of the Skills, Training and Qualification strategy for the sector by TOPSS and government in partnership, that will identify the priorities for sector skills development.

5.6 The study highlights a number of current skills issues. An estimated third of the workforce are in posts requiring competencies equivalent to NVQ level 2. However, a significant proportion of workers in these jobs do not hold formal qualifications.

5.7 There are some reported difficulties in attracting new entrants to the workforce and concerns about retaining care workers in low paid occupations. There is concern that the low pay and status of carers coupled with the new registration and attainment requirements may have a negative effect, driving experienced workers out of the sector labour market.

5.8 In developing new structures in the sector, there has been an increase in the involvement and participation of sector employers through, for example, the TOPSS Cymru committee and other working groups and networks. However, the employers from the independent sector consulted for this study indicate that there is still a need to continue to engage employers in the independent sector in the current dialogues, and to raise their awareness of the implications of current changes.

5.9 There is considerable training activity in the sector but mechanisms for the public funding of vocational training do not extend support across the whole sector. In addition, employers report difficulties in implementing work based assessment, particularly where staff are working on a shift, sessional or multi-site basis.

5.10 There is considerable work underway to establish the detail of new strategy and frameworks. To ensure that skills, training and qualifications objectives achieved, however, there is a need for on-going analysis of the support and resources that will be needed by the sector from government and other partners.

5.11 The changes taking place in the sector present a set of considerable challenges:

- the need to ensure that the qualifications and training provision are developed to reflect the changes taking place;
- the need to continue to develop ways of engaging the sector, particularly the large number of private sector employers, in the on-going debates on skills needs and workforce planning;
- the need to communicate the priorities identified by current research and strategy development to employers across the whole sector and other key partners such as FE, HE, Careers Services, ACCAC and awarding bodies;
- workforce information is being developed to help ensure that better quality data can inform planning. From the review of the sector, there are two other areas of analysis that would help inform future work:
  - more powerful predictive tools can help assess the impact of new legislation on employers and the sector workforce, notably where the demand for staff and increased skills levels will be, and any potential impact on the retention of experienced workers;
  - a better understanding of the relationship between trends in the publicly and privately funded sector care markets.

5.12 Given that the sector is in such as period of change, it is hard to predict where specific skills needs will occur and therefore to make concrete recommendations for action on skills.

5.13 Our recommendations, set out in **Table 5.1** below, therefore focus on the need for making sector partners, particularly those not directly involved in implementing these changes, aware of the changes taking place and the work underway. In addition, there is a need to focus on **how** the objectives of the strategies currently under development will be resourced and what support will be needed from partners and government to achieve this.

Themes & Recommendations matrix

Theme No:	Rec. No:	Action	Timescale	Key Partners
1	1a	A strategy should be adopted to increase understanding of the importance, size, nature and complexity of the social care sector in Wales, including regional differences. This will assist in strategic planning for the appropriate post 16 funding to meet the sector's skills, training and qualification needs	April 2001	TOPSS Cymru/ CETW/NafW
	1b	A strategy should be devised to inform CCETS understanding of the sector on a local basis in order to deliver the appropriate provision that will meet the sector's skills, training and qualification needs as outlined in the Entry to the Workforce Strategy and STQ Strategy	April 2001	TOPSS Cymru/ WLGA/FE/CETW
2	2a	Delivery of the STQ Strategy needs to be supported by ensuring • the development of effective work based assessment and verification; • the development of awards in full partnership with the NTO in Wales	on-going	Awarding bodies/ TOPSS
	2b	Increased collaboration and work to ensure that the sector has access to Awards, training providers and assessment centres of the appropriate quality and variety	on-going	ACCAC/ Awarding bodies/ CETW/TOPSS
3	3a	Employers and service providers across the sector need to ensure that their employees are appropriately skilled and qualified for the work that they undertake	on-going	All
	3b	Cyngor NTO Cymru Social Sector Group to support the work in the sector by taking forward the Skills Strategy for Social Inclusion	on-going	Cyngor NTO Cymru
4		Widen dialogue on skills and qualifications issues with independent sector employers and further promote joint working to address these	on-going	TOPSS Cymru
5		Raise profile of the caring services as a positive career option	end 2002	Careers/EBLs/ TOPSS Cymru
6		Undertake wider research on market trends in independent and voluntary sector	April 2002	NafW

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Annex B: Sectors in Context

A Brief Overview Of The Relative Size And Importance Of Welsh Sectors

This paper presents an overview of the sectors selected for study within the Future Skills Wales Sectoral Skills project. It aims to give the relative scale of the sectors involved and some idea of their relative importance in Wales.

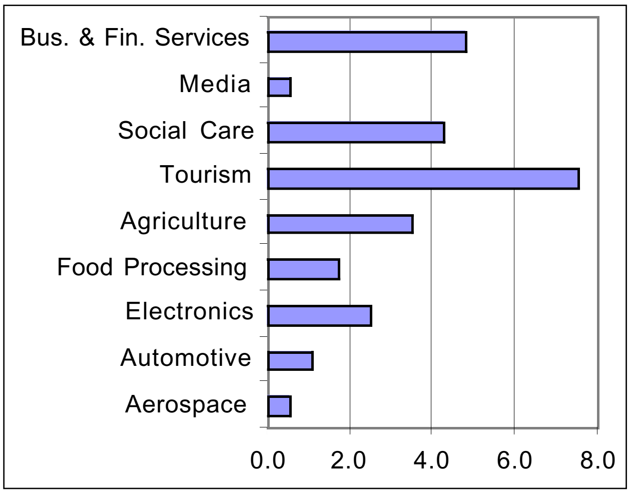
The data on employment used in this section is taken from the latest estimates from Business Strategies Limited (August 2000). Data on business units are taken from NOMIS. Some of the values given (for example for the number of businesses within Wales, or the size of the workforce, for a given sector) will not agree with estimates or calculations from other sources. This is due to differences in the detailed definitions of sectors, or in methods of estimation. However by using one source in this discussion, consistency in measurement or estimation is established, and better comparability is ensured. This is appropriate since here we are concerned with the relative sizes of sectors and their workforces, as much as with absolute numbers.

Sector Size: Workforce Numbers

Figure B.1 shows the employment figures for each of the sectors (employees and self employed) as a percentage of the total for Wales. By this measure Tourism, Leisure and Hospitality is the largest of the selected sectors, followed by Business and Financial Services, Social Care, and Agriculture and Farm Enterprises.

Together, the nine sectors selected for study in this project provide work (either as employees or in self employment) for around 26% of people working in Wales. This indicates the scope and potential importance of the exercise for the understanding of skills issues in Wales and the formulation of policy responses. (The rest of employment in Wales is accounted for by a large public sector, including government, education and public sector healthcare, and by the primary, construction, transport and distribution sectors, including retail).

Figure B.1: Employment as a percentage of Welsh Employment: by Sector

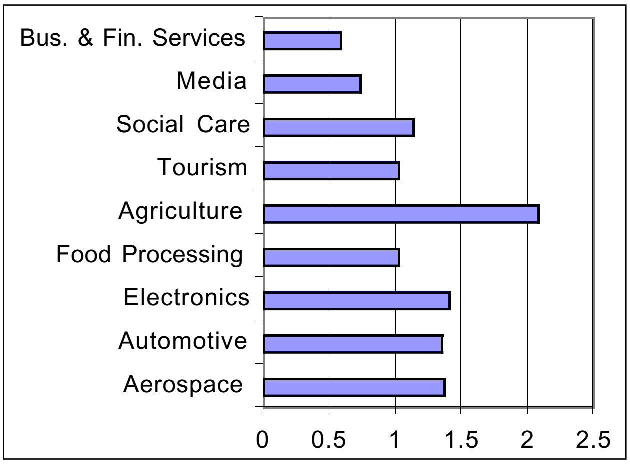


Source: BSL FSW Sector Forecast

Employment Location Quotients

Figure B.2 provides a different view of the sectors, in terms of their importance within Wales relative to the UK as a whole. It does this by comparing the employment location quotients for the sectors. Employment location quotients are used to express the degree to which employment in a given sector is located in a selected region. To calculate a location quotient, an average percentage is first calculated for all employment in the region. Using the BSL estimates, for example, one finds that 4.3% of all employment in the UK is located in Wales.

Figure B.2: Employment Location Quotients for Wales: by Sector



Source: BSL FSW Sector Forecast

Therefore, if employment in a given sector is distributed evenly over all regions of the UK, one would expect 4.3% of its employment to be in Wales. The sector's Welsh employment percentage, at 4.3%, will be equivalent to the average employment percentage for Wales.

To calculate the employment location quotient, the sector's percentage is expressed as a ratio of the Welsh average percentage. For example if a sector has 5.2% of UK employment, the employment location quotient will be the ratio of 5.2 to 4.3, or 1.2. Quotients of more than 1 therefore indicate over-representation of employment in the Welsh sector relative to the UK as a whole. Quotients of around 1 indicate that employment in the sector in Wales is much as one would expect given the overall distribution of employment across the UK; and quotients below 1 indicates that the sector in Wales is relatively under-represented in terms of employment.

Figure B.2 shows that the strongest Welsh sectors, in these terms, are Agriculture, plus three of the manufacturing subsectors - Automotive, Aerospace and Electronics Manufacturing. UK employment is relatively concentrated in Wales for these sectors, despite the fact that some of them are small in relation to Welsh employment as a whole (Figure B.1). The Social Care sector also shows employment strength, while Food Processing and Tourism, Leisure and Hospitality are approximately in line with the Welsh share of UK employment.

Media and New Media, and the Business and Financial Services sector, are both under-represented in Wales in employment terms, with employment location quotients well below 1.

Sector Size: Number of Businesses

An alternative method of comparing sectors is by the number of business units in each sector. This can be less straightforward than the employment location quotient method used above. Here we are using data on business units in Wales and for Great Britain as a whole, provided in NOMIS. The main difficulty is the definition of a business unit within the published figures. This does not make a distinction between separate businesses, and locations representing branches or sites within one business. It also omits small 'one-person' business sites without formal employees.

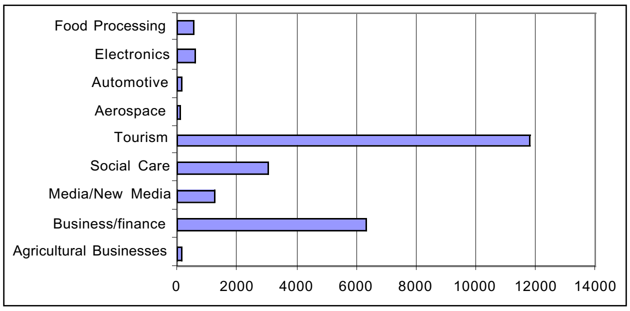
This means, in particular, that these figures are apt to be misleading as applied to the agricultural sector, since they represent agricultural businesses with employees, rather than all farms. They therefore greatly under-represent the number of agricultural enterprises in Wales. Although the business unit figures for agriculture have been included in the following analysis, they are therefore **not a reliable guide to agricultural sites in Wales**.

Figure B.3 shows the sectors studied in terms of the number of business units in Wales. It shows that, by this measure, the Tourism, Leisure and Hospitality sector is by some way the largest. According to the NOMIS figures, this sector contains 12.4% of all Welsh business units, - around 1 in every 8.

A further 6.6% of Welsh business units are in the Business and Finance sector, and 3.2% in Social Care. The next largest sector, Media and New Media, includes a large number of businesses classified under 'Other computer related services'. Many of these may be 'New Media' businesses within our study definition. Others, however, may be providing services which are not relevant within this definition. As explained above, the figures for agriculture do not represent the farming sector accurately.

In total the sectors covered by the study account for over 25% of business units located in Wales.

Figure B.3: Number of Business Units - Selected Sectors



Source: NOMIS

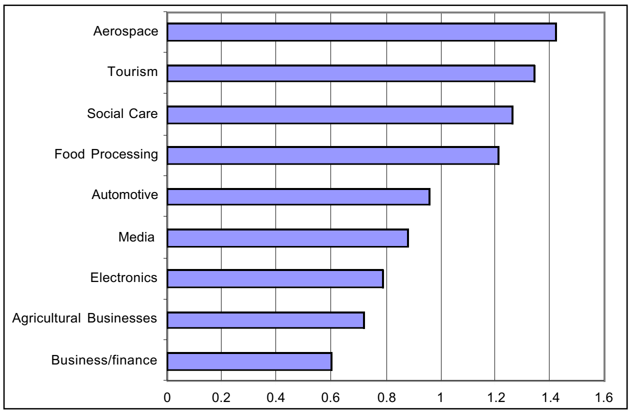
Site Location Quotients of Welsh Sectors

Figure B.4 shows the site location quotients calculated for the sectors covered by this study. These are calculated as for the employment location quotients used earlier, but using business unit figures instead of employment numbers. Four of the sectors have quotients greater than 1. In other words, these sectors are 'over-represented' in Wales relative to what one might expect taking Great Britain as a whole. These quotients represent a degree of concentration of business units in these sectors within Wales. These sectors are Aerospace, Tourism, Hospitality and Leisure, Social Care, and Food Processing.

The Automotive Manufacturing sector in Wales, with a location quotient of 0.96, is close to the size one might expect (in terms of numbers of business units). In other words, Wales has 'a fair share' of business units in this sector, according to these NOMIS figures. At the other end of the scale, the Business and Finance sector, with a site location quotient of only 0.6, is under-represented within Wales - confirming the findings of the first Future Skills Wales study in 1998.

Again, the quotient for 'Agricultural Businesses' reflects the limitations of the method, although it may indicate that Welsh farms and agricultural businesses tend to be smaller than the average for Great Britain, inasmuch as fewer of them are large enough to be included as business units.

Figure B.4: Site Location Quotients



Source: NOMIS

Selection of Sectors for the Study

The above discussion sheds light on the reasons for selecting this set of nine sectors. The reasons vary, but can be simply expressed as follows (some sectors are selected for more than one reason):

- sectors with significant proportions of Welsh businesses and/or workforce (Tourism, Business and Finance, Social Care);
- sectors which are important components of manufacturing industry within Wales (Aerospace, Electronics, Automotive, Food Processing);
- sectors which are relatively strong in Wales (Aerospace, Tourism, Social Care, Food Processing);
- sectors which are relatively weak in Wales, but are important for future growth (Business and Finance, Media/New Media);
- sectors with particular significance for Welsh culture and communities (Agriculture, Media/New Media).

Notes

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The views presented in this report are those of York Consulting Limited.
Jo Cutter, August 2000.