

The Economic Value of the Adult Social Care sector - England

Final report

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Abbreviations

Acronyms and definitions

Acronym	Full title
ABS	

Key term	Definition
Indirect jobs / employment	All jobs or employment resulting from the purchase of intermediate goods and services by the adult social care sector
Induced jobs / employment	

approach. This was to increase the robustness of the estimates, as there were strengths and weaknesses with the availability and quality of the data required for each of approach.

Income approach

The income approach estimates the total income received by representatives of the sector in the form of wages and other income. These types of income were estimated using earnings (for wages) and the Gross Operating Surplus (GOS) generated in the sector (for other income). In the case of the adult social care sector, the large majority of income in the sector will be earned in wages paid to social care workers.

Table ES1.3 presents the results using the income approach. In England in 2016, it was estimated that adult social care GVA was £20.3

Output approach

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

in Table ES1.6. This presents estimates

social care sector, and there were over one
£0.3 billion to £21.7 billion in GVA, and the
estimated to be between £19,700 and £21,100

or was estimated to be over 510,000 jobs
£10.0 billion in GVA. The indirect effect
and services by the adult social care sector.

or (additional spending by those directly
social care sector) was estimated to be the
£9.3 billion and £10.1 billion of GVA.

adult social care sector in England was
on FTEs and between £38.5 billion and

Income approach	Expenditure approach	Output approach
	1,488,000	
	1,027,900	
20,277,218	20,490,586	21,651,931
13,600	13,700	14,600
19,700	19,900	21,100
	510,300	
	357,400	
	212,800	
	147,500	
	2,211,100	
	1,532,900	

Total FTE jobs due to adult social care activity
Indirect GVA

1.3 Structure of this report

The report continues in the following sections:

Section 2 describes the size and structure of the adult social care sector;

Section 3 estimates the direct economic value of the adult social care sector using the input approach;

2 Sector characteristics

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

2.1 Number of service providers

SfC collect detailed statistics for the adult social care sector in England. The data is collected for the National Minimum Dataset – Social Care (NMDS-SC). This includes provider and workforce information. Data from the NMDS-SC covers regulated and non-regulated adult social care. It is a robust dataset as it holds administrative data for over half of the workforce in the adult social care sector. Therefore, data from the NMDS-SC provides all the data for the description of the size and structure of the adult social care sector.

2.1.1 Regulated service providers

The Care Quality Commission (CQC) collect data on all regulated adult social care providers in England and the sites where providers operate. The services provided at regulated sites is categorised, which means that the number of sites providing regulated adult social care services can be differentiated by broad service type.

The CQC data also allows the identification of the number of service providers providing care. However, because service providers provide multiple services, it is not possible to disaggregate service providers by type of service. Therefore, the total number of service providers providing care is presented by each type of provider.

The CQC data provided to SfC does not include information to distinguish between voluntary and private sector providers. SfC have undertaken further analysis to estimate the number of voluntary sector and private sector provider sites.

The number of service providers and sites providing services are presented in Table 2.1 (this provides 100% coverage of regulated services in England). In summary, there were over 13,000 service providers providing regulated adult social care in England in 2016, with care being provided from over 25,000 sites. Most regulated sites were providing residential care (48%). The largest number of sites are run by private sector service providers (19,670, 78% of regulated providers).

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

Type of provider	Type of service	Number of service providers	Number of sites providing services
Public	Residential care		

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

Type of provider	Type of service	Number of service providers	Number of sites providing services
Total	Residential care		3,760
	Nursing care		-
	Domiciliary care		1,690
	Day care		2,550
	Other services ⁴		7,180
	Total		15,170

Source: Skills for Care, National Minimum Dataset – Social Care; Numbers rounded to the nearest 10. Totals may not equal the sum of services due to rounding.

Direct payment recipients

The number of individuals receiving direct payments is collected by NHS Digital. In 2015/16, 235,000 individuals received direct payments for their care in England. Individuals can use the money they receive from direct payments for a variety of purposes, including employing their own staff, residential or day care, or paying subscriptions and memberships to support themselves.

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

It is estimated that just under a third of direct payment recipients directly employ PAs (29%). In England, this would mean that there are over 68,000 individuals directly employing PAs (see Table 2.3).

Table 2.3 Number of individual employers, 2016

Type of service	
Number of individuals receiving direct payments	235,000
Percentage who directly employ PAs	29%
Estimated number of individuals who directly employ PAs in England	68,200

Source: NHS Digital; Skills for Care 'Individual employers and Personal Assistants'; Numbers rounded to the nearest 100

Number of jobs

The NMDS-SC provides information about the number of jobs, hours worked and earnings of workers in the adult social care sector. This information allows the number of FTEs to be calculated. The data from the NMDS-SC has been used to estimate the size and structure of the workforce in the adult social care sector.

providing care to service users and all support staff (for example cleaners, security staff).

2.2.1 Regulated services

There are estimated to be nearly 1.2 million CQC-regulated jobs in the adult social care sector in England in 2016. This is presented in Table 2.4. The data is differentiated between public, private and voluntary provider jobs, and by the type of service provided (residential, nursing care and domiciliary care). Table 2.4 shows that:

Most CQC-regulated jobs in the adult social care sector are in the independent sector (96%), with most of these being with private providers (65% of all jobs). There are more jobs in residential and nursing care than in domiciliary care (55%).

On average, individuals work for 26 hours a week.

There are an estimated 781,800 FTEs again most are in the private sector.

Table 2.5 Number of jobs non-regulated services, 2016

Type of provider	Type of service	Jobs	Average hours	FTEs
Total	Residential care	61,900	28.4	47,500
	Nursing care	-	-	-
	Domiciliary care	16,800	25.2	11,400
	Day care	36,500	27.8	27,400
	Other services	116,700	29.8	94,000
	Total	231,900	28.8	180,300

Source: Skills for Care, National Minimum Dataset – Social Care; Numbers rounded to the nearest 100. Totals may not equal the sum of services due to rounding.

2.2.3 Direct employers

There are no official estimates of the number of directly employed PAs in England. However, recent research by SfC provided robust estimates of the number of individuals employing PAs (29%), the number of workers they employ (an average of 2.1 workers per employer) and the hours worked by PAs (17 hours per week). Using this research and the number of direct employers (Table 2.3), it is estimated that there are nearly 145,000 PA jobs in England which equates to nearly 66,000 FTEs.

Table 2.6 Number of Personal Assistants

Type of service	Jobs	Average hours	FTEs
Personal Assistants	143,100	17 / week	65,800

Source: NHS Digital; Skills for Care 'Individual employers and Personal Assistants'

2.3 Summary

The summary tables below (Table 2.7 and Table 2.8) present a summary of the size and structure of the adult social care sector in England. In 2016, it was estimated that there were over 40,000 sites providing adult social care in England. If direct employers (who employ their own staff) are included, there are over 100,000 employers in the adult social care sector in England. There are over 1.3 million jobs at these sites (excluding PAs; nearly 1.5 million if PAs are included), which is the equivalent of around 1.0 million FTEs.

Table 2.7 Estimated total sites providing adult social care in England - 2016

Type of service	Number of sites where services are provided
Residential care	15,830
Nursing care	4,440
Domiciliary care	10,430
Day care	2,550
Other services	7,180
Direct employers	68,200

3 Income approach

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

3.1 Earnings - regulated sector

The NMDS-SC provides information about earnings in the adult social care sector in England, which is presented in Table 3.1. This shows that:

The average earnings per FTE in the public sector are estimated to be higher than in the independent sector, for all types of service (over 20% higher in the public sector).

The average earnings are highest in public sector domiciliary care (£20,400), and lowest in the private and voluntary sector residential care (£15,900).

The average earnings in the regulated adult social sector are £16,400 for a FTE.

The total value of adult social care earnings in the regulated sector in England is estimated to be nearly £13 billion.

Earnings per FTE are higher in the public sector, but most of the earnings are in the private sector (64% of total earnings), since this is where most of the workforce is employed.

Earnings in the regulated adult social care sector in England are lower than average earnings in England. The average earnings for a FTE in England were estimated to be £34,400 (average earnings for a full-time worker) in 2016. Therefore, the earnings in the adult social care sector represent 48% of average earnings in England.

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

Type of provider	Type of service	FTEs	Earnings per FTE	Total (£'000)
Public				

and 16%, the level of overall economic profit in the adult social care sector (where all costs are included) is estimated to be close to zero.

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

The GOS for domiciliary care providers has been estimated using information taken from the United Kingdom Homecare Association (UKHCA, 2018). This research provided information which was used to estimate an equivalent of the EBITDAR value to represent GOS. It was estimated that the GOS margin in the home care market was 11.3% for private domiciliary providers and 8.3% for voluntary providers.⁹ This is a lower estimated value of GOS than for residential care services. This could be because there are lower rental costs and less capital equipment is used (meaning there is less depreciation and exceptional purchases).

The estimated GOS in the domiciliary sector is estimated by multiplying these values by the output of the private and voluntary domiciliary care sector. This is estimated to be nearly £807 million in England in 2016.

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

3.4 Direct employers

Research by SfC (2017) has produced estimates of the average earnings of PAs in England. This is estimated to be £9.10 an hour (£17,500 per FTE). It is estimated that there are 66,000 FTE PAs in England. The number of FTEs has been multiplied by the estimated earnings for an FTE PA. The total earnings of PAs in England are estimated to be over £1 billion (see Table 3.3). More details of this methodology can be found in Annex 1.

Table 3.3 Estimated earnings of Personal Assistants

Type of service	Earnings per FTE (£)	Number of FTEs	Total wages (£'000)
Personal Assistants	17,500	65,800	1,151,274

Source: NHS Digital, Adult Social Care Outcomes Framework; Skills for Care “Individual Employers and Personal Assistants”; Skills for Care, National Minimum Dataset – Social Care. Individual row totals may be not sum due to rounding.

3.5 Estimated GVA

The estimated level of GVA is calculated by summing the value of total earnings and profits generated in the income approach. In England in 2016, it was estimated that adult social care GVA was £20.3 billion using this approach. The largest proportion of GVA was estimated to be in the domiciliary care sector (31% of the total value of the sector), although the domiciliary sector also represents a large proportion of the total GVA (see Table 3.4).

⁹ UKHCA (2018) A Minimum Price for Homecare. Indicators excluded in the estimated GOS were: Net profit / surplus; Premises, utilities and services; and Other Business overheads. Indicators included in the GOS estimate were: care worker costs; staffing, recruitment and training; consumables and professional costs. For voluntary providers, the net profit / surplus was assumed to be zero. These indicators were excluded as it is assumed the costs would be included in the EBITDAR measure.

4 Expenditure approach

The second method to estimate the economic value of the adult social care sector is the expenditure approach. This approach involves estimating the total level of expenditure on hod of

providers can make from publicly funded residents falling in recent years, therefore the higher mark-up for self-funders is needed to make the business sustainable. The 46% mark-up has been used in this analysis, and the mark-up has been applied to the estimated unit costs for funded individuals. These unit costs are presented in Table 4.2.

The analysis of self-funding is presented in Table 4.2, by type of care provision. This suggests that in England, the total value of self-funded adult social care expenditure was nearly £11 billion. The largest proportion of self-funding expenditure was for residential and nursing care (65% of the self-funded total). The total estimated value of expenditure on adult social care in England is over £30 billion.

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

	Public and co-funded (£'000)	Unit cost for self-funders (£ per year)	Number of self-funders	Self-funded expenditure (£'000)	Total expenditure (£'000)
Residential care	6,903,671	39,300	73,000	2,872,110	9,775,781
Nursing care	2,121,574	46,600	83,500	3,888,302	6,009,875
Domiciliary care ¹²	3,424,130	16,700	132,900	2,217,309	5,641,439
Day care ¹²	-	-	-	-	-

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

	Total expenditure (£'000)	Turnover to GVA ratio	GVA (£'000)
Residential care	9,775,781	73%	7,179,894
Nursing care	6,009,875	76%	4,568,435
Domiciliary care			

5 Output approach

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

5.1 Output from the residential care sector

5.1.1 Residential care for older adults

LaingBuisson (2017) provides useful data relating to the provision of care services for older people. This data includes the capacity of nursing and residential care +homes in England and the occupancy rate. The figures in the LaingBuisson report have been used in this analysis.

The data shows that the private sector is the largest provider of adult social care in England, and represents 76% of the total residential care capacity, and 87% of total nursing care capacity for older people (a total of 318,000 private care beds across the residential and nursing sector).

Table 5.4 Output estimates of adult social care and related GVA

	Total output (£'000)	Turnover to GVA ratio	GVA (£'000)
Residential care	8,096,601	73%	5,946,608
Nursing care	7,970,684	76%	6,058,953
Domiciliary care	8,546,823	51%	4,391,801
Day care	-	-	-

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

	Income approach	Expenditure approach	Output approach
GVA			
GVA (public sector	2,040,863	3,613,784	3,632,516
GVA (private sector	13,216,080	13,673,517	14,559,302
GVA (voluntary sector	5,020,275	3,133,285	3,460,113
Total GVA (£'000)	20,277,218	20,420,586	

the Type II multipliers in the UK. For a detailed description of the method used to estimate the Type II multipliers, see Annex 1. The relevant Type II multipliers are:

The private sector the GVA multiplier is 1.74 and the employment multiplier is 1.43;

The public sector the GVA multiplier is 2.55 and the employment multiplier is 1.82; and

The non-profit / voluntary sector the GVA multiplier is 2.05 and the employment multiplier is 1.52.

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

The results suggest that induced effects (associated with the purchases of goods and services by individuals directly or indirectly employed by the sector) are similar in size to the indirect GVA effect, but smaller than the indirect employment effect. The induced effects were estimated to support a further 213,000 jobs and £9.3 billion to £10.1 billion of GVA in the wider economy.

public sector representing 8% of employment and 12% of direct GVA. The differences are due to public sector multiplier effects being higher than for the private sector.

The overall sector and the indirect and induced effects of associated expenditures are estimated to represent 2.4% to 2.5% of all GVA and 8% of all jobs in England.

Evidence 5 Value of informal care in England

This research provides evidence of the economic value of the formal adult social care sector in England. However, the work of the sector is supported by unpaid individuals providing informal care to family members or friends. CarersUK have estimated the value

7.2 Benchmarking

The Annual Population Survey (APS) provides estimates of the number of individuals working in each broad sector in England. This allows the scale of employment in the adult social care sector to be compared to other sectors.

Figure 7.1 presents the employment by sector analysis, combining the findings from this research with data from the APS. This shows that the adult social care sector employs more workers than the transport and storage, administrative and support services and professional, and accommodation and food services sectors. Direct employment in the adult social care represents 6% of total employment in England. This shows that adult social care is an important sector in terms of current employment in England.

Figure 7.1 Employment by sector in England (sectors with highest employment), 2016

Source: Annual Population Survey; ICF analysis. Employment rounded to nearest 100. Human health and social work activities excluded from analysis

The estimated value of GVA by industry in England is presented in the Regional GVA statistical series. This presents GVA by broad industrial group. The total value of GVA in England in 2016 was estimated to be £1,496 billion. Direct GVA from the adult social care sector (£21 billion) is estimated represent 1.4% of total English GVA.

Figure 7.2 presents GVA estimates by sector, for a selection of economic sectors. This shows that adult social care generates lower values of GVA than the sectors with similar levels of employment (for example transport and storage and accommodation and food service). However, it still generates a significant proportion of English GVA, and the value of GVA in the sector can be expected to



Figure 7.2 GVA by broad sector (selected sectors), England, £millions, 2016

Source: Regional GVA statistical series; ICF analysis. Human health and social work activities excluded from analysis

The estimated value of productivity (GVA per FTE) in England has been estimated using data from the ONS Labour Productivity data series. The estimated value of productivity in England was £64,300. Productivity in the adult social care sector was estimated to be between 30% and 33% of the average productivity in England. The estimated level of productivity in the adult social care sector in England was lower than any specified sector in the Labour Productivity data series.

A previous study estimated the economic value of the adult social care sector in England, published by SfC in 2013. However, differences between the studies mean it is difficult to directly compare the two sets of results. The key differences between the two studies are:

The previous study estimated that there were 1.7 million jobs in adult social care, compared to the 1.5 million in this study. Part of this can be explained by the previous study including some health professionals who were assessed to provide adult social care services (such as occupational therapists). These workers have not been included in this analysis²¹.

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The indirect and induced economic effects of the adult social care sector are smaller in this analysis than in the previous study. This is because different (smaller) multiplier effects have been used to estimate the indirect and induced effects. The total economic value of the sector in the previous study was £43 billion and 2.8 million FTEs. This study has an estimated total value of £37 billion to £42 billion and 1.5 million FTEs.

7.3 National comparisons

This research involved estimating the value of the adult social care sector in all the nations of the UK.

Part A: ANNEXES



The output approach to measuring GVA involves multiplying the number of hours of adult social care that was provided by the average cost of adult social care. This provides an estimate of spending in the sector, which is the equivalent of business turnover (value of goods and services sold). This is then converted to GVA on the basis of turnover to GVA ratios provided in the Annual Business Survey (ABS). This represents the removing of intermediate purchases. The expenditure approach for the adult social care sector involved three main steps estimates:

Identifying the hours of adult social care provided. For the care homes sector, this was estimated using capacity and average occupancy information for care homes. For the non-residential sector, the

It is important to note that the GOS does not equal the profit taken by owners and shareholders. Only a subset of total costs are included in the GOS calculation. Long term costs such as the use of fixed capital (depreciation and amortisation), exceptional purchases,

On average, each PA works 17 hours per week (0.46 FTE). A PA in England has average earnings of £9.10 (£17,500 per FTE).

The number of FTEs is multiplied by the average earnings per FTE to estimate the value of direct employment in England.

A1.4 The expenditure approach to economic value

Data which presents the value of public sector spending and co-funding in the adult social care sector is published by NHS Digital. The data is disaggregated by type of user and type of service.

However, this data does not cover the expenditure by self-funders. There is no data which provides statistics on the number of self-funders or the value of their expenditure. Therefore, information was taken from existing literature to estimate the number and value of self-funding in England.

Table A1.1 Estimates of the number of self-funders, England

Type of provision	Total number of individuals receiving support	Proportion of individuals who are self-funders	Number of self-funders
Residential care	158,300	46%	73,000
Residential care with nursing	180,700	46%	83,500
Domiciliary care	443,500	30%	132,900
Day cases	-	-	-

LaingBuisson; NHS Digital; ICF calculations; Figures rounded to the nearest 100. Individual row totals may be not sum due to rounding.

The usage of services by self-funders is assumed to be the same as the usage of services by funded individuals. This means that:

- Residential care users require 52 weeks of care a year; and
- Domiciliary care users require 12 hours of care a week (618 hours per year).

The unit cost for self-funders is assumed to be higher than for those for funded individuals. Previous research estimated that this mark-up was 20%, but the more recent LaingBuisson (2017) research estimates that the mark-up is 46%. This mark-up has been added to the value of funded residential care. A 20% mark-up has been used for domiciliary care. The unit cost of social care for self-funders in England is presented in Table A1.2.

The number of self-funders is multiplied by the unit cost of care for self-funders and the volume of care they require. This gives the total value of the self-funded market in England. This is then added to the value of public and co-funded expenditure to estimate the total expenditure in the adult social care sector.

Table A1.2 Unit costs for care in England

	Unit cost for funded individuals	Unit cost for self-funders
Residential care	£520 / week	£760 / week
Residential care with nursing	£640 / week	£900 / week
Domiciliary care	£23 / hour	£27 / hour
Day cases	-	-

PSSRU, Unit Cost of Health and Social Care, 2016; LaingBuisson; ICF calculations

A1.5 The output approach economic value

The output approach to estimating the economic value of adult social care multiplies the quantity of services used by individuals in England by the unit cost of each type of provision.

The number of individuals using each type of service is presented in Table 5.1, Table 5.2 and Table 5.3 in the main report. This includes individuals who receive funding for their care and individuals who self-fund their care. The unit costs used in the calculations were taken from PSSRU (2016).

A1.6 Indirect and induced effects

In order to attribute output / expenditure to public sector providers, workforce and care home capacity data was used. The UK I-O tables produce estimates of Type I multiplier effects,

and provide data which allows the Type II multipliers and induced effects to be calculated. The method used is described below:

The Blue Book suggests a marginal propensity to consume of 70.5% (estimated as household consumption as a percentage of total income), which has been used in these calculations.

The marginal propensity to consume was applied to the total direct and indirect income/GVA for the care sector from the UK I-O tables, to estimate the spending of wages of those directly and indirectly employed by the care sector.

The UK I-O tables include household consumption by sector and this was used to disaggregate the re-spent wages by sector.

Metrics were calculated to estimate the GVA and employment supported by this household expenditure in each of the 127 sectors included in the UK I-O tables. This used data from the ABS, which enables metrics to be produced for sectors at a disaggregated level. These can then be mapped onto the UK I-O tables.

The final step was to sum the GVA and employment supported in each sector from the household spending of wages received, and this was then used to produce estimates of induced multipliers for the spending of wages earned in the care sector.

In order to estimate the indirect and induced effect disaggregated by sector, the output / expenditure generated by public, private and voluntary sector providers needed to be calculated. This has been done using information about the output of public, private and voluntary sector providers in the residential and nursing care sectors, and the percentage of total employment which is public / private / voluntary sector from the workforce data.

Annex 2 Sensitivity analysis

This annex provides a sensitivity analysis of the estimates of the size, structure and economic value of the adult social care sector in England. Some of the calculations used to estimate the size, structure and economic value of the sector involve assumptions and data manipulation. In the sensitivity analysis, some of these assumptions are varied, to show how sensitive the overall results are to these assumptions. The sensitivity analysis presents a range of values (a high and a low estimate) of the value of the adult social care sector in England.

The sections below show the assumptions which have been varied, and the values used in the calculations. Other than these changes, the calculations undertaken are exactly as set out in the main report and Annex 1. The results of the sensitivity analysis (Employment, expenditure / output and GVA) are presented, but the intermediary tables (included in the main report) are not recreated.

A2.1 The size and structure of the adult social care sector in England

As no assumptions or data manipulation was used to estimate the size and structure of the adult social care sector in England, no sensitivity analysis has been undertaken. The income approach to economic value

A2.2 Income approach

Table A2.1 presents the assumptions which have been varied for the income approach estimates. Sensitivity analysis has only been undertaken where assumptions or data manipulation has been used. For the income approach, this only included the level of profit generated.

Table A2.1 Assumptions varied in the sensitivity analysis of the income approach

	Low	Central	High	Calculation
GOS residential care	7.5%	16%	19.5%	EDITBA; EDITBAR and higher LaingBuisson value for EDITBAR
GOS private domiciliary care	8.3%	11.3%	15.3%	UKHCA report
GOS voluntary domiciliary care	6.3%	8.3%	10.3%	UKHCA report

The results of the sensitivity analysis are presented in Table A2.2. This shows that when the assumptions for the calculations are varied, the total value of GVA generated in the adult social care sector varies by £2.1 billion. This represents 11% of the low estimate of the adult social care sector.

Table A2.2 Results of the sensitivity analysis of the income approach

GVA estimate	Low (£'000)	Central (£'000)	High (£'000)
Residential care	4,909,221	5,279,838	5,481,380
Nursing care	4,287,592	4,867,022	5,161,181
Domiciliary care	5,912,012	6,192,652	6,562,120
Day care	458,626	458,626	458,626

Table A2.4 Results of the sensitivity analysis of the income approach

GVA estimate	Low (£'000)	Central (£'000)	High (£'000)
Residential care	7,078,313	7,179,894	7,245,634
Nursing care	4,417,622	4,568,435	4,582,616
Domiciliary care	2,540,955	2,828,532	2,968,153
Day care	-	-	0
Other services	4,606,108	4,790,216	4,863,860
Direct payments	1,053,509	1,053,509	1,053,509
Total	19,696,507	20,420,586	20,713,772

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

A2.4 The output approach economic value

As with the sensitivity analysis for the expenditure approach, the only values that have been altered are those which required estimation and data manipulation. For the output approach, this meant the unit cost of adult social care and the number of care users. The values used in the sensitivity analysis are presented in Table A2.5.

Table A2.5 Assumptions varied in the sensitivity analysis of the income approach

	Low	Central	High	Calculation
Unit cost of adult social care				+/- 5% to reflect uncertainty
Residential care public provision	£1,010 / week	£1,060 / week	£1,120 / week	
Residential care private provision	£600 / week	£630 / week	£670 / week	
Nursing care	£730 / week	£770 / week	£810 / week	
Domiciliary care	£22 / hour	£24 / hour	£26 / hour	

Table A2.6 Results of the sensitivity analysis of the income approach

GVA estimate	Low (£'000)	Central (£'000)	High (£'000)
Residential care	5,678,509	5,946,608	6,316,296
Nursing care	5,746,107	6,058,953	6,374,205

