Sector profile: Health and Social Care in Leicester and Leicestershire

- Produces **£1.8bn of GVA**...and accounts for **55,500 jobs**
- **Productivity of £32,500** per job
- Underpinned by **2,420 businesses**...65% of which are 'micro'-sized
- Since 2010, has created an additional **5,600 jobs**
- An additional **31,000 jobs solely in adult care** within Leicestershire
- Has the potential to **deliver 5,200 jobs** by 2030, more than any other sector
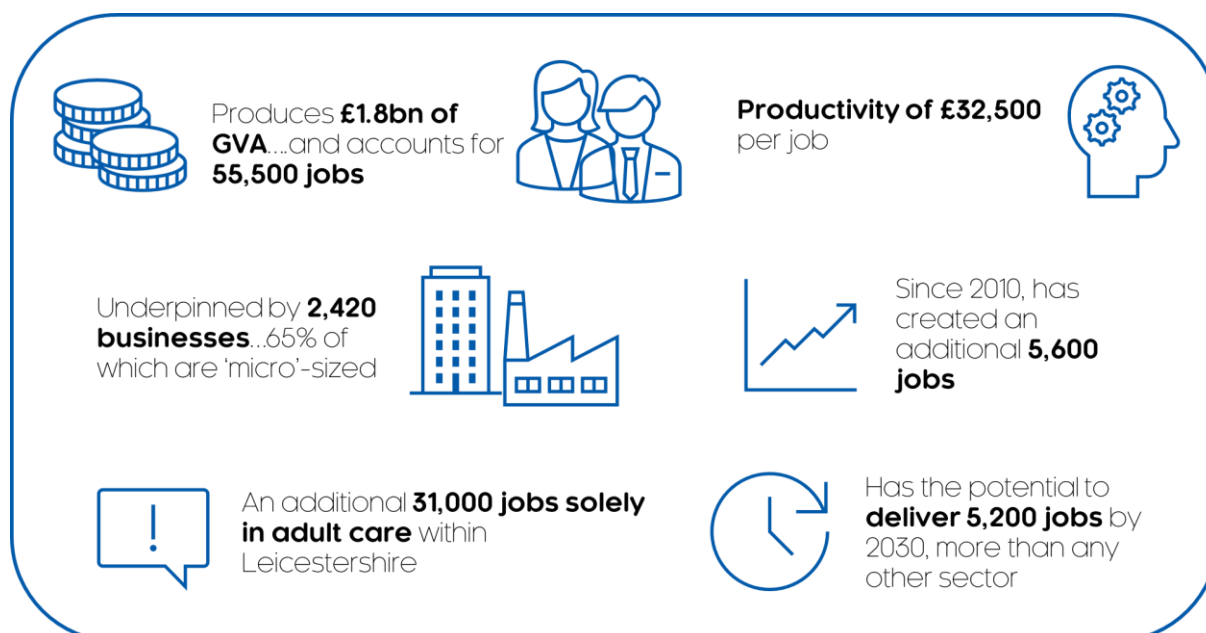
Source(s): See Economic and growth indicators.

Defining Health and Social Care

Health and social care covers a wide range of services that are available from health and social care providers. Health and social care services can be provided by the public sector, for example through the NHS, as well as through the private sector.

Within the health and social care sector, activities include:

- Health care provided by trained medical professionals in hospitals and other facilities such as dental practices.

- Residential care activities that still involve a degree of health care such as nursing care, domiciliary care, community care, supported living, care for learning disabilities, mental health and substance abuse, and care for the elderly and disabled.

- Community care activities including nursing care and personal care in peoples' own homes, as well as in sheltered housing schemes.

Market and economic outlook

Global market

The global health and social care sector is under enormous pressure due to the current pandemic. In the short term, key priorities include coordinating the distribution of COVID-19 vaccines and implementing processes to protect those who are in care and vulnerable. These challenges require cooperation and coordination across the global market.

The pandemic is accelerating a transformation in healthcare delivery. Challenges such as surging patient numbers and social distancing have forced global healthcare systems to innovate and adapt. Technology-driven trends have accelerated, and demand has grown for new types of products and services such as rapid diagnostic tests.

Digital technologies are transforming the way health and social care is delivered. The emergence of virtual health services has been accelerated by the pandemic as it limited face-to-face interaction. Virtual health includes telehealth services such as online interaction between patients and doctors and remote monitoring of personal health and medical data. It also includes digital therapeutics, such as technology-enabled ways to prevent, manage or treat a condition. There are also digital advances in social care including rostering innovations, communications and activities for social care organisations, their workforce and beneficiaries.

Focus is shifting towards prevention. Digital technologies, such as wearables and other IoT devices, are increasing the availability of quality healthcare data. The sector is increasingly focusing on leveraging healthcare data through applications such as real-time monitoring and data analytics to enable disease prevention and early diagnosis. Consumers are also increasingly empowered by greater access and ownership of their own personal healthcare data.

UK market

Most healthcare in the UK is provided through the public sector, while social care is more commonly provided through both the public and independent sectors. The NHS is the main provider of healthcare, and the UK has a small private healthcare market, for which demand is growing, in part due to lengthy NHS waiting times. 78% of all residential adult care services in England were privately owned and run in 2019.

Some public sector social care is delivered through local authorities, and local authorities also commission direct payments to people who then purchase their own care. There are also privately commissioned services.

The NHS workforce is facing a major staff shortage. According to the Kings Fund, NHS hospitals, mental health services and community providers are now reporting a shortage of nearly 84,000 FTE staff, severely affecting key groups such as nurses, midwives and health visitors. Pressures on NHS staff have been compounded by the pandemic, which has exacerbated staff workloads.

Social care in the UK is facing a shortage of funding, providers and staff. Demand for adult social care is growing, driven by factors including a growing and ageing population, increasing numbers of people living alone, and a greater prevalence of physical and mental impairments. At present, estimates by the National Audit Office suggest high levels of unpaid

care and unmet need. As demand for social care continues to grow, future reforms will be required to ensure available care supply.

Business impacts of Covid-19 and Brexit, and other challenges

Covid-19 has led to new pressures and sweeping changes to the operation of the NHS. Hospitals have had to physically alter their layout, patient flow and impose visitor restrictions to control the virus. The method of prioritising patient care relating to the urgency of need has had to change. Diagnostic and outpatient waiting times have got longer. Health inequalities have worsened.

Lockdown and Covid-19 have also impacted upon mental health. The [NHS Strategy Unit](#) estimated that there will be a 33% increase in demand for mental health services across England over the next three years as a direct or indirect result of the pandemic.

Covid-19 has led to a significant backlog of treatments and operations for cancer and other illnesses. In May 2021 it was [estimated](#) that nearly one-third of hospitals have seen long waits rise sharply with over 10% of patients going a year without treatment. IT was estimated that 5.1 million patients were waiting to begin treatment at the end of April 2021, according to NHS England data - the highest since records began in August 2007. There has been major disruption to cancer services, with some hospitals struggling to treat half of their patients within the target time of two months. Concern is growing for 45,000 "missing cancer patients", after a fall in GP referrals and screening services across the UK.

The UK Parliament's [Health and Social Care Committee](#) warned in June 2021 that NHS and social care staff burnout has reached an "emergency" level and poses a risk to the future of services. The Committee also pointed to long-standing, unresolved issues even before the virus struck – such as there being 50,000 nursing vacancies prior to the onset of the pandemic. The Committee concluded that the emergency that workforce burnout has become will not be solved without a total overhaul of the way the NHS does workforce planning. In adult social care, MPs heard during this inquiry that the situation is "fragile". Skills for Care estimated that 7.3% of roles in adult social care had been vacant during the financial year 2019-20, equivalent to around 112,000 vacancies at any one time.

The Covid-19 pandemic has put significant pressure on existing adult social care staff resources, as noted by [The Work Foundation](#). This survey of care workers found that 42% had seen their workloads increase because of the pandemic. Additionally, 35% said they worked more overtime and 30% had to make up hours for self-isolating colleagues. Many workers revealed that they felt unsupported by their employers.

The implications of Brexit for NHS and social care staffing are significant. Since the EU referendum, there has been a huge drop in the number of nurses from EU countries on the nursing professional register. 21,800 licenced doctors in the UK are EEA graduates. It was estimated in 2019 that 6.4% of nursing staff in England were of EU nationality, and 8% of the social care workforce were EU nationals. Social care is being similarly affected by reducing the supply of EU workers, in an industry with low wages, long working hours, and problems of staff attraction and retention.

For decades, successive governments have grappled with the problem of social care funding reform. The [King's Fund](#) noted in 2019 that in the past 20 years there have been 12

White Papers, Green Papers and other consultations on social care in England as well as five independent reviews and commissions. Despite this there has been no long-term solution implemented. In particular, the social care crisis has had significant implications for local authority finances.

A key issue is unmet need. The Health Foundation estimated that 400,000 fewer older people accessed publicly funded social care in England in 2013-14 than in 2009-10. Age UK have estimated that 1.4 million older people are not getting the care and support they need – the bulk of this related to those needing care to help live safely in their own homes. The crisis in funding has led to a crisis in the viability of some private care providers.

Activities and key organisations in Leicester and Leicestershire

Leicester and Leicestershire are served by the University Hospitals of Leicester NHS Trust, spread across three hospitals: Leicester Royal Infirmary, Leicester General Hospital and Glenfield Hospital. The trust offers particularly good vascular services and the heart centre at the Glenfield hospital is a leader in innovative research and techniques, such as surgery with a Robotic Arm, TAVI (Trans-Catheter Aortic Valve Insertion) and the use of the suture-less valve in heart surgery.

Public sector social care and support is provided through the Leicestershire Partnership NHS Trust across three divisions which focus on Adult Mental Health and Adult Learning Disability Services, Families, Young People and Children's Services and Community Health Services.

There are several groups in Leicester and Leicestershire supporting the development of the workforce in the health and social care sector. The Leicestershire Social Care Development Group (LSCDG) is a network for social care providers which gives free and subsidised training across a range of topics and provides and news and signposting service for providers. The Inspired to Care project, commissioned through Leicestershire County Council, supports the social care sector in Leicestershire with resilience and growth. The LLR Training Hub, established in 2020, is focused on meeting the educational needs of multi-disciplinary primary care teams.

The LLR Academy is a social care support company, offering support to clients such as Leicestershire County Council and the NHS in health and wellbeing, inclusion, system development and quality improvement services. The academy offers support in the following areas: Health and Wellbeing; Equality, Diversity and Inclusion; Learning and Organisational Development; System Development; Quality Improvement; Leadership Development; Coaching Mentoring and Buddying; and Workforce Planning.

Economic and growth indicators

Table 1: Summary of key economic and growth indicators for the Health and Social Care sector in Leicester and Leicestershire

	Value, 2019	% of economy total	*% of economy total (UK average)*
GVA (£m)	1,805	7.4%	*8.3%*
Jobs	55,500	10.1%	*12.4%*
Businesses	2,420	4.9%	*4.9%*
Productivity (£)	32,500	73.0%	*66.8%*
	Value, 2010-19	% change p.a.	*% change p.a. (UK average)*
Real GVA growth (£m)	61	0.4%	*2.0%*
Jobs created	5,600	1.2%	*1.3%*
New businesses	535	28.4%	*14.1%*
Productivity growth	-	-0.8%	*0.6%*

Source: ONS, Cambridge Econometrics.

Worth £1.8bn and accounting for 55,500 jobs (according to official statistics – see **Table 1** above), health and social care is a large and increasingly important sector for Leicester and Leicestershire, given the need to manage and oversee a fast growing and aging population.

To cope with this increased demand, recent growth in the sector has been strong, with 5,600 additional jobs created since 2010, supporting £70m of GVA growth. Productivity remains in line with the UK average, but has shown limited signs of improvement over recent years despite increased demand.

The sector is underpinned by over 2,000 local businesses, of which some three-quarters are 'micro'-sized (employing <9 people). An additional 525 health and social care businesses have been established since 2010.

Additional evidence and research

- [Research by Skills for Care](), which surveys and estimates adult social care employment, estimates that **there are 31,000 jobs solely in adult care in Leicester and Leicestershire**. Of these 31,000 jobs, 28,000 are within the Independent and Local Authority Sector, and thus likely excluded from official statistics in **Table 1**.

- Of these 28,000 jobs, 32% - or 8,900 jobs - are on zero-hours contracts. 6% of the workforce has EU nationality and 11% of the workforce has foreign nationality outside of the EU. Notably, the staff turnover rate (the share of total jobs leaving each year) is 32%.

- [ONS population projections]() indicate 22% of Leicestershire residents will be aged over-65 by 2040, up from 18% currently, which will lead to increased demand for

health and social care services. However, this share is lower than the national (24%) and regional averages (25%).

Spatial structure and clusters

The health and social care sector is highly concentrated within Leicestershire, largely represented within the city of Leicester, as **Figure 1** below shows.

Figure 1: Health and Social Care clusters in Leicester and Leicestershire
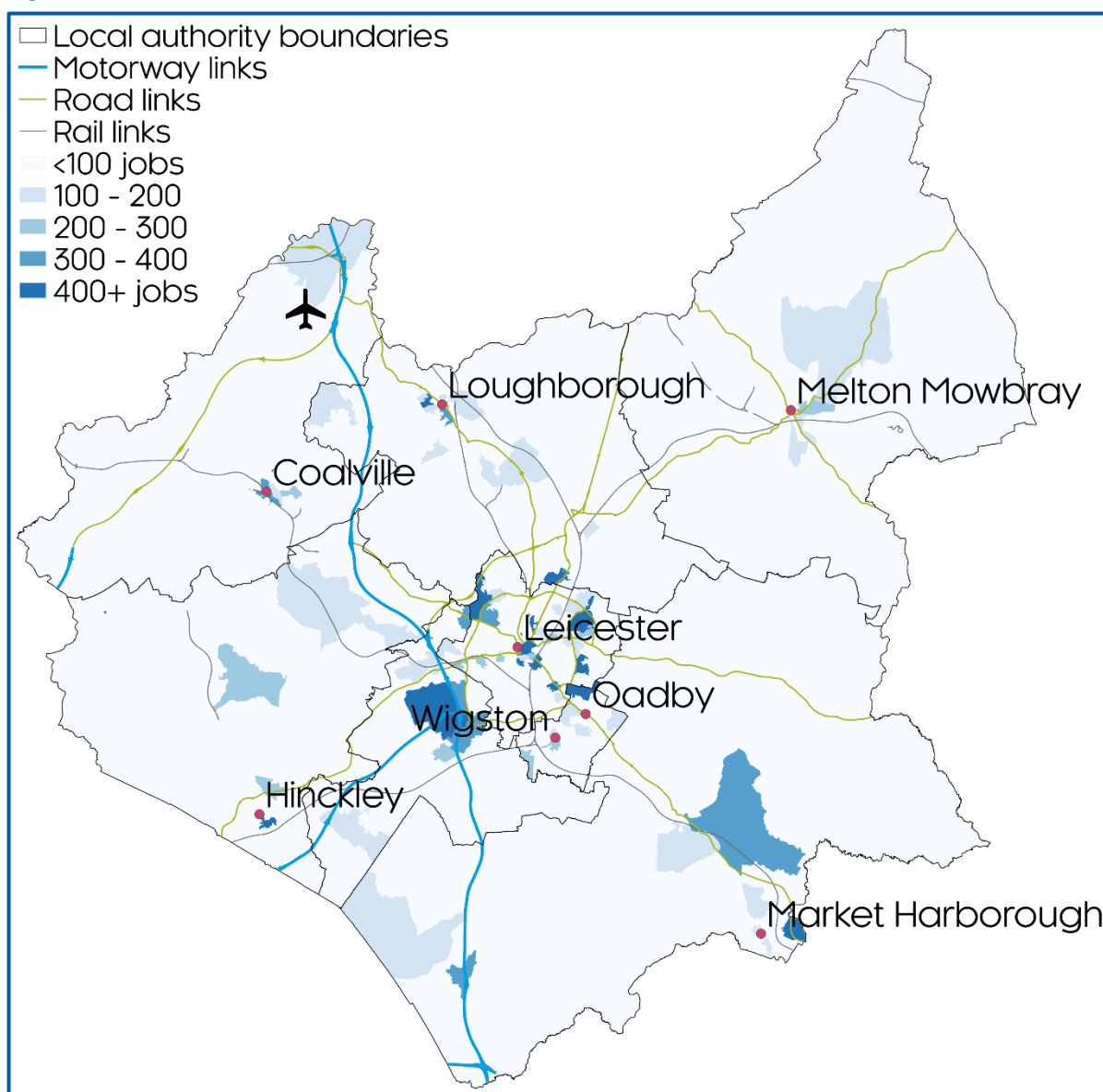
Source: ONS, Cambridge Econometrics.

The University Hospitals of Leicester NHS Trust - one of the UK's largest and most active academic and research trusts, employing 12,000 staff - maintains a significant presence in the city. The Trust is responsible for Leicester General Hospital, Glenfield Hospital, and Leicester Royal Infirmary, all located within the city and serving the wider sub-region.

Pockets of activity are also evident elsewhere in the county, particularly care homes and related services in market towns and semi-urban areas, such as Hinckley, Market Harborough, and Loughborough.

Industry structure and specialisms

Within Leicester and Leicestershire, the sector is generally structured around hospital and public health care and services, with a relative underrepresentation of nursing and care home activity (partly attributable to Leicestershire's younger age profile), as **Figure 2** below shows:

- **Hospital activities** – 24,100 jobs, £920m GVA; the largest and fastest growing activity in the sector, creating 3,800 additional jobs since 2010
- **Domiciliary nursing and care** – 5,600 jobs, £142m GVA; another large and overrepresented activity locally, though potentially undercounted given Skills for Care estimates of 31,000 adult care workers
- **Shelters, orphanages and other social accommodation** – 4,700 jobs, £130m GVA
- **Other health activities and services** - 5,600 jobs, £200m GVA: a large and fast-growing activity encompassing a diverse range of health-related services
- **GP's and specialist medical clinics and practices** – 2,800 jobs

Figure 2: Local specialisms and growth within Health and Social Care
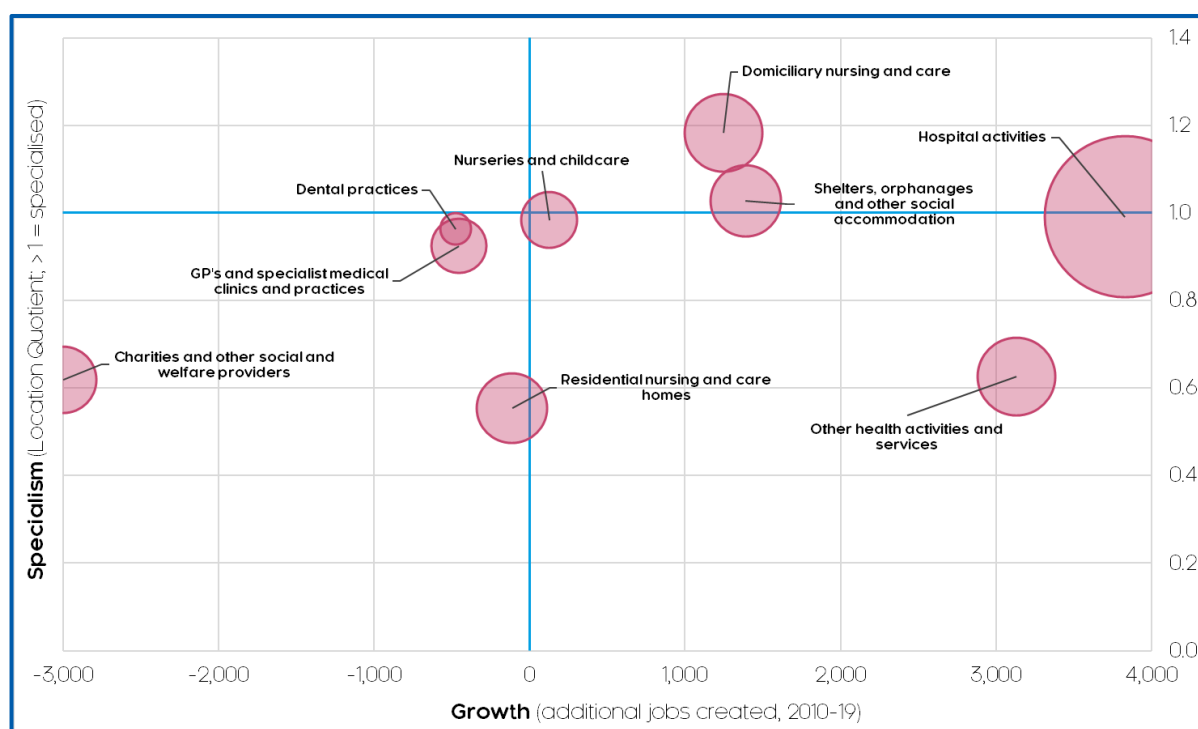
Source: ONS, Cambridge Econometrics. Note: Size of bubbles relate to size of activity (in jobs terms). Bubbles above the blue horizontal indicate a specialism. Bubbles to the right of the blue vertical indicate growth (in jobs terms).

Sector prospects in Leicester and Leicestershire

Economic impact and recovery from Covid-19 and Brexit

As a result of the Covid-19 pandemic and the associated public health challenge, demand is expected to increase and remain high, with the sector at the forefront of the response to the virus, including testing, treatment and vaccine deployment.

An essential service operating uninterrupted even during strict 'lockdowns', any adverse impacts are expected to be minimal. As **Table 2** shows however, the sector is expected somewhat less resilient in Leicester and Leicestershire than elsewhere in the country, possibly reflecting local uncertainty in non-essential health and care services.

Table 2: Covid-19 impacts and recovery prospects for the Health and Social Care sector in Leicester and Leicestershire

Forecast Covid-19 impact (2020)			
	Value, 2020	% change	*% change (UK average)*
GVA impact (£m)	-111	-6.1%	*-7.0%*
Jobs impact	400	1.3%	*1.1%*
Productivity impact	-	-3.6%	*-7.3%*
Forecast Covid-19 recovery (2021-30)			
	Value, 2021-30	% change p.a.	*% change p.a. (UK average)*
Real GVA growth (£m)	485	2.5%	*2.2%*
Jobs created	5,200	0.9%	*1.0%*
Productivity growth	-	1.6%	*1.2%*

Source: Cambridge Econometrics Spring 2021 Forecasts.

Post-2020, there is the potential for higher levels of investment-derived growth to manage and oversee increased demand, given a fast growing and aging population, as well as a need to manage the large demand backlog from the pandemic (with a number of treatments delayed during 2020).

By 2030, the sector could support the creation of an additional 5,200 roles locally – more than any other sector in Leicester and Leicestershire, emphasising the substantial recruitment needs in the sector. By this time, it is anticipated the sector will be worth almost £2.2 billion.

Skills needs and challenges

Skills needs in the sector are varied, ranging from highly-technical, STEM-based skills – to oversee increasingly advanced, technology-led diagnosis and treatments – as well as softer, social and care-oriented skills – to manage and attend to an aging population, and an increasing prevalence of physical and mental impairments, according to research by UKCES.

By 2024, UKCES expects over half (54%) of the health and social care workforce in the East Midlands will require high-level (QCF4+) qualifications. Vocational and technical-training routes will remain an increasingly popular and successful way to address sector skills-needs, particularly social care-related, whilst the sector also has the potential to continue providing good, well-paid opportunities for those without higher-level qualifications.

With an aging workforce, reduced migrant labour (particularly EU-based) and sectoral shifting, skills shortages could emerge, which UKCES notes are already established in certain pharmacy, physiological sciences and respiratory physiology roles. And according to the 2019 UK Employer Skills Survey, almost a fifth (15%) of local vacancies in the sector were hard-to-fill, whilst 14% of employers reported having staff who were not fully proficient.

Appendix A: Sector definition and sources

Data has primarily been sourced from Cambridge Econometrics LEFM. For a full and detailed overview of definitions, sources and forecasting methodology, please refer to the Technical Summary report accompanying this profile.

The sector has been defined using 5-digit Standard Industrial Classifications (SICs), detailed as follows. These have been informed by government and/or industry recommended definitions, and aim to capture as much of the sectors value chain as possible:

86101: Hospital activities

86102: Medical nursing home activities

86210: General medical practice activities

86220: Specialist medical practice activities

86230: Dental practice activities

86900: Other human health activities

87100: Residential nursing care activities

87200: Residential care activities for learning disabilities, mental health and substance abuse

87300: Residential care activities for the elderly and disabled

87900: Other residential care activities

88100: Social work activities without accommodation for the elderly and disabled

88910: Child day-care activities

88990: Other social work activities without accommodation nec