



With the HR Not-for-Profit Sector Forum (HRNFPSF)

# Social Care Benchmarking Report 2023

## Executive Summary July 2024

## INTRODUCTION

For over 10 years, the HR Not-for-Profit Sector Forum (HRNFPSF) and Coalition of Care and Support Providers in Scotland (CCPS) have commissioned the University of Strathclyde to conduct a benchmarking survey and analysis for member organisations. We are grateful for this collaboration with Professor Ian Cunningham and his colleague Marina Nikolova from the University of Strathclyde's Department of Work, Employment & Organisation, as well as the contributions of Dr Alina Baluch of St Andrews University.

These annual reports provide key sector comparison information on topics such as staff turnover, absence, recruitment and pay. They are a source of evidence about what is happening in the not-for-profit social care sector at a particular time. The individual organisations use the data as a basis for their organisational decisions.

At the time of this survey, the Real Living Wage in Scotland was £10.90 per hour. In its 2024-25 Budget, the Scottish Government increased pay for frontline social care and support staff to £12 per hour, again only matching the updated Real Living Wage. The survey's findings suggest this is not enough to attract workers and meet demand, with recruitment and retention challenges persisting.

This survey will contribute to a growing body of evidence on the not-for-profit social care workforce. The findings of this report provide a wealth of data and information for the sector and national partners to progress social care reform, including the establishment of a National Care Service.

We would like to thank all the organisations that contributed to this survey during a time of challenge and change. Their commitment to continuing to deliver high quality care and support, whilst ensuring a skilled workforce, has been remarkable during a very difficult year.

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## Executive Summary

### *Background and profile of providers*

1. The study involved 22 providers, with a combined annual turnover of £563.7m, with an average of £26.8m and a median of £19m. The combined annual pay bill was £429.5m. The average proportion of pay bill to turnover was 74%.
2. Local authorities (LAs) continue to account for the highest average proportion of funding (82.9%). Just under half of respondents (45%) relied on LAs for 90% or more of their income.

### *Workforce*

3. The combined headcount for all providers was 15,108. The average number of staff was 686.8. Organisations reported a total of 11,697 FTEs.
4. Front-line workers account for the largest proportion of staff in the sector (82%), followed by admin, support staff and non-operational managers (10%), and operational managers (7%). Senior managers represented just above 1% of the total headcount.
5. All providers but one report having a dedicated HR function, similar to last year's findings. The reported number of HR staff varied between 1 and 62 people. The latter figure is an outlier which was reported by an organisation part of a global provider. As such, it likely covers the global HR team. The second largest HR team was of 21 people.
6. Excluding the aforementioned outlier, the HR to FTE ratio ranged between 0.7 and 5.7. The average HR to FTE ratio was 1 to 2.2.
7. The social care workforce is highly gendered, with women outnumbering men in every category. However, their presence remains concentrated in roles outside

senior management. They also were more likely to work part-time than men. The majority of respondents had more staff on part-time rather than full-time contracts.

8. In terms of tenure, the majority of staff (62%) had worked for providers for more than two years.
9. On average, 10% of staff had an ethnic minority background, while 6.4% of staff had a disability and 2% of staff identified as LGBTQIA+

### *Reasons for leaving*

10. As reasons for leaving their organisations, most providers cited 'new job, including career change' (22%), followed by 'other' reasons (roughly 21%), and 'other-personal' reasons (i.e., a category that does not include personal ill health) (nearly 20%).
11. These factors were followed by career progression (roughly 7%), retirement (nearly 5%) and personal ill health (nearly 5%) as the causes of turnover.
12. Organisations provided the following as 'other' reasons for staff turnover: failure to start (2), unsuccessful probation (2), unknown/no reasons (3), relocation (1), death in service (2), expired visa (1), issues with social care not as expected (1), moving to relief (1), removal from relief (1), and resignation (2).
13. Concerning the breakdown of the above figure of those moving to a new job (22%), three respondents reported the percentages. On average, 61% of those moving stayed within the care sector; whereas 39% of staff reported leaving for a new job outside of the care sector/career change. This represents a decrease from last year's figures on the proportion of staff leaving the care sector altogether for a new job.

### *Type of contract, insecurity and fragmentation of shifts*

14. On average, the benchmarking organisations reported 79.9% of their staff as employed on permanent (full-time), permanent (part-time), fixed term (full-time), fixed term (part-time), annualised hours, flexible hours, compressed hours, term time contract, and short-term contract types.
15. An average of 20.1% of the workforce was reported as zero hours, sessional, bank workers, and relief workers, indicating the flexibility demands facing the social care

workforce. This figure suggests an increased use of more insecure forms of employment (14.5% in 2021-2022 Benchmarking Report).

16. Sixty percent of respondents used permanent day shifts and 70% operated permanent waking night shifts.
17. Forty percent of respondents operated a rolling rota with sleepover and 20% reported using a rolling rota with waking night shift.
18. Only 10% of responding organisations operated split shifts, representing a continued diminishing fragmentation of the working day compared to prior years (14% of responding organisations in 2022-2023 Benchmarking Report).
19. On average, 62% of the workforce is employed on 'other' shift arrangements. These 'other' shift patterns included: staff working on flexible shifts that did not have a rolling rota; and person-centred rotas which see a variety of shift patterns.
20. On average, 13% of working hours in an average month were covered by relief/bank staff/sessional workers compared to the 2021-2022 figure of 6% of working hours.
21. Just above 9% of the overall pay budget was spent on relief/bank staff/sessional staff, representing an increase upon the 2% of the pay budget reported in the 2021-2022 Benchmarking Report.
22. Just over one third of respondents (33%) reported an increase in the number of agency workers used in the last twelve months. These figures represent a drop in the percentage of respondents reporting an increased usage of agency workers from 59% in the 2021-2022 Benchmarking Report.
23. Nearly one-third reported no change in the usage of agency workers (29%); whereas 38% reported a decrease.

### *Working arrangements*

24. In not-for-profit social care, hybrid working and working from home is not always compatible with the nature of the role. For most front-line workers, face-to-face contact with those they support is a requirement. Those most likely to work in these arrangements are office-based staff.
25. Concerning providers' usage of policies that allow for different ways of working, uptake continues to be limited for front-line staff. There was a notable increase in the average percent of front-line staff using agile working arrangements (flexibility in the hours/days worked) to 26% (compared with 7% in 2021-2022).

26. Twenty-three percent of front-line staff took up hybrid working (partly working from home, partly in person) and 0.6% took up remote working (working from home only).
27. Of all the different working arrangements offered by the respondents, hybrid working had the highest uptake across the remaining staff groups with an average 98% of senior managers and 73% of operational managers, followed by an average uptake up of 68% of non-operational managers and support staff across the responding organisations, and 23% for front-line staff.
28. Uptake in agile working (flexibility in the hours/days worked) by employees was lower across the staff groups than hybrid working, covering 58% of senior managers, roughly 54% of operational managers and 52% of support staff and non-operational managers.
29. The uptake in remote working was notably lower than in prior Benchmarking reports. Instead, the figures suggest a post-pandemic era characterised by in-person or hybrid working in the sector, with only 0.6% of front-line staff and 1.2% of support staff and non-operational managers using remote working.
30. Concerning the kinds of resources provided to staff working from home, all respondents supplied the necessary hardware for working from home, roughly 62% offer data packages for work mobile phones and ca. two thirds supply desks, chairs and lamps where required or requested by staff working under these arrangements.
31. Only 19% of respondents provided a Wi-Fi connection for staff at home, noting that this was for staff who are fully remote working only.
32. Ten percent of respondents offered 'other' resources to staff working from home, including footrests, printers and a working from home allowance.

### *Pay and Conditions*

33. Eighty-two percent of organisations were accredited living wage employers.
34. Disruptions to pay differentials (73% of participants) continued to be the main impact of organisations implementing the Scottish Living Wage (SLW).

35. Of those reporting an impact on differentials from the SLW, 79% reported a narrowing of differentials between multiple groups of staff, not just team leader and front-line grades.
36. Organisations admitted to struggling to offset the impact on differentials from paying the SLW, with at least one drawing from reserves, and others unable to offer any compensation among impacted groups of staff.
37. Three organisations reported that the SLW had improved recruitment or retention. Only one organisation reported that the SLW risked the viability of the organisation.
38. The biggest influences on pay determination were measures of 'affordability', benchmarking other organisations, and changes to the SLW.
39. Union presence had an impact on pay, with 50% of all respondents negotiating an additional cost of living payment.
40. For front-line care staff, all the organisations at the minimum level paid the then SLW £10.90 or above.
41. Four organisations (DDD2, DDD3, GGG2, and HHH2) do not have any pay differential in starting salaries between their front-line care staff and catering and domestic workers.
42. The analysis reveals how the latest award of £12.00 per hour under the SLW will bring significant challenges to providers in attempting to maintain differentials across multiple groups of staff.

### *Payments for qualifications and unsocial working patterns*

43. Forty-five percent of respondents reported providing payment for staff for attaining qualifications.
44. The average cost of a sleepover was £88.33. One provider (NNN5) reported a sleepover cost of £40 which represents an outlier. When excluded, the average cost of a sleepover was £92.36, the median was £87.20. Other unsocial hours payments were generally paid at a normal hourly rate, with only a minority paying additional supplements, e.g. 1.5 salary.
45. The total number of sleepovers worked across the organisations was 188,652, and the total cost is £26,022,672. There were several outliers in terms of numbers and

costs of sleepovers and if they are removed, the average cost over a year among providers is £902,199. The median cost of sleepovers over a year was £826,092.

46. Seventy-three percent of providers offered enhanced rates for working public holidays. Just under half of these providers (44%) offered such enhancements for Christmas and New Year breaks only.

### *Pensions, holidays and other leave*

47. The majority of organisations (77%) offered defined contributions pensions only. The majority of organisations (68%) offered the same pension to all staff.
48. Just over half of organisations (56%) offer staff paid public holidays.
49. Sixty-eight percent of organisations provided additional leave linked to length of service.
50. Three-quarters of organisations offered enhancements on leave for maternity, adoption and paternity leave. Payment was usually awarded at a diminishing proportion of salary the longer these enhancements continued.

### *Absence management*

51. There was an average absence rate of 7.3% among respondents. The average days lost per employee is 11.86. The average cost per employee is £739.00.
52. Eighty-one percent of organisations (N=16) report that long-term absence takes up more days and percentage of the total of absence than short term. The average number of days lost to long-term absence is 7,910, although this may be the result of inclusion of an outlier.
53. Removing the aforementioned outlier leads to an average of 5,187 and 2,959 long-term and short-term days lost respectively.
54. The majority of respondents (81%) offer staff 0-6 months of SSP.



55. Mental health issues and musculoskeletal issues are the most common causes of absence respectively. This is then followed by common ailments such as cold/flu, COVID-19 and then gastrointestinal complaints (e.g. stomach bugs).
56. The total number of days lost for COVID-19 infection alone was 7610.25. The average number of days lost for COVID-19 infection alone was 507.35 per organisation.
57. In terms of absence management tools, return to work interviews, occupational health reports and discussions with senior management are universally used, while regular absence review meetings and a commitment to healthy lifestyles are also highly favoured.
58. Overall, 124 people were dismissed for reasons of capability linked to absence across the participants. The vast majority 113 (91%) were front-line staff.

## *Recruitment*

59. Forty-three percent of respondents reported that their recruitment needs were higher than in the previous year. This figure represents a significant reduction from 2022-2023 during COVID-19, when 81% of respondents reported having higher recruitment needs than the year before. At the same time, 38% of respondents stated that recruitment needs were the same as last year, which reflects that for more than one-third of respondents, their recruitment needs stayed consistently high. Nineteen percent stated that their needs were lower than last year.
60. Concerning anticipated future recruitment needs, half of respondents reported that hiring staff will involve more difficulty and half projected the same difficulty; none of the providers anticipated less difficulty in recruitment needs.
61. Fifty-eight percent of respondents had increased expenditure allocated to recruitment and 32% reported their expenditure had remained the same. Ten percent of the respondents reported decreasing their recruitment expenditure.
62. Of those respondents reporting an increase in expenditure on recruitment, responses ranged from a 10% to a 137.5% increase. The average increase, excluding the latter outlier, was close to twenty percent.
63. Concerning frontline support staff, 95% of respondents find it either 'Very Difficult' or 'Quite Difficult' to recruit (an increase on 2021-2022 figures of 88%). In contrast, nursing staff were reported to be 'Very Difficult' or 'Quite Difficult' to recruit for 9% of respondents.

64. In line with prior benchmarking reports, frontline posts remain the most difficult to fill with 95% of respondents experiencing difficulties in recruiting these operations staff. This was followed by managers (64%) and supervisors and administrative support (27%).
65. Other posts that remained difficult to fill included: finance, housing roles and business assurance roles, as reported by 14% of respondents for each of these roles.
66. The two most frequently cited difficulties for recruitment across most roles were 'too few applicants' and 'pay levels.'
67. The top three reasons for recruitment difficulties for frontline workers were stated as: 'pay levels' followed by 'too few applicants', and 'local competitors' such as retail.
68. These reasons were followed closely by 'lacking in skills and quality', 'working time preferences' and 'location' as additional frequently cited reasons for difficulties in recruiting to frontline posts.
69. At line managerial level, 'too few applicants', followed closely by 'lacking in skills and quality', and 'pay levels' account for the main recruitment difficulties across the respondents.
70. Actual recruitment budget spend was on average £57,560 per organisation and a median of £38,988. This shows an increase of average spend of nearly £6K on the 2021-2022 Benchmarking Report figure of £51,752.
71. Two thirds of respondents had an overspend on recruitment in relation to their forecasted recruitment budget.
72. Reasons for an overspend included: recruitment moved from being a department task to a department in its own right with more focus; subscriptions to Indeed, Glassdoor, as well as targeted advertising; high turnover, more adverts required; costs of PVGs; increased recruitment activity given volume of vacancies and severity of recruitment difficulties; higher need to use more paid recruitment sites, particularly for HR and finance staff; and readvertisement.
73. Concerning the assessment of future recruitment needs, a slightly higher percentage of providers (90%) reported using staff shortages as an indicator than in the 2022-2023 Benchmarking Report (85%).

74. Respondents furthermore reported reliance on tracking agency usage (72%) to assess recruitment needs.
75. Forward-looking measures include tracking geographic shortages and tracking the workforce age profile and were used by 50% of the respondents.
76. The majority of respondents (55%) reported that they consider digital skills to 'some extent' and slightly less than one third consider these skills to 'little extent'.
77. Less than 5% of respondents considered the digital skills of applicants in recruiting frontline workers to 'a large extent'; 9% of respondents considered digital skills to 'no extent'.

### *Staff engagement, communication and industrial relations*

78. All but one provider carried out a staff engagement survey.
79. The most popular form of communication mechanism was electronic forms of communications, meetings and team meetings. Fifty-five percent of organisations used trade unions as part of their communications strategy.
80. Fifty-nine percent of organisations recognised a trade union through a formal agreement. In all of these cases, there was a single union recognition deal. In all but two of these organisations, it was reported that management engaged in full negotiations over pay.
81. Three quarters of respondents (75%) reported an increase in disciplinary cases, and only one organisation reported a decrease.
82. A quarter reported an increase in employment tribunal cases.
83. Across the participants, 225 employees were referred under the SSSC's regulations, with an average of 10.2.
84. In terms of outcomes from these referrals, thus far, four workers were 'removed from the register', three had 'conditions imposed', and three had a 'warning on the register'.

### *Training and development*

85. All but one of the organisations provided additional training beyond induction for front-liners.
86. Overall, the vast majority of respondents affirmed that the training needs were being met for the four groups of staff, especially for front-liners, operational managers and admin support etc.
87. All respondents reported evaluating their training. The most common approach to evaluation by respondents was the post training questionnaire (77%), followed by feedback sheets during training (64%) and survey monkey (41%).
88. Forty-one percent of organisations reported that they paid for professional recognition and technical memberships for staff, while 14% did so in part. Another 41% of respondents did not pay for these memberships.
89. Overall, 1,273 workers were studying for qualifications across the providers. The largest proportion (90%) were studying for an SVQ, while 9% were studying for a management qualification.
90. All but one organisation paid front-line staff for SVQ, HNC or management qualifications.
91. Forty-seven percent of workers are either slightly behind or unlikely to meet target to finish their qualifications.
92. Sixty-eight percent reported that they had increased their training budget. Only one organisation AAA3 reported that their training budget had declined due to budgetary pressures.
93. Forty-five percent of organisations collaborated with the wider health and social care sector to deliver training.

### *Information Technology*

94. The average expenditure on information technology (IT) was £448,148, compared to £539,382 in 2021-22 and £248,072 in 2020-21. This year's median stood at £354,504.
95. All organisations reported an increase in expenditure on software, compared with 75% reporting an increase spending on hardware.

96. Organisations suggested that an average of 52% of their front-line staff used technology for service delivery. This represents a considerable increase from the 38% reported last year.
97. Providers were of the opinion that staff's general digital skills and confidence when working with technology could be improved, e.g. in Microsoft 365, including accessing SharePoint and email.
98. The majority of respondents (64%) suggested that they feel confident that their front-line staff has the necessary skills to use the digital resources at their disposal. Another 36% indicated that they are not very confident in their staff's ability to utilise digital resources.

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