

MYTH BUSTING COMPASSION IN CRISIS

MAY 2025



About Scottish Care



A VOICE FOR PROVIDERS, THEIR WORKFORCE AND PEOPLE WHO ACCESS CARE AND SUPPORT

Scottish Care is a membership body, thinktank and social care futures designer. Our goal is social care that works for the people of Scotland. Driven by social values, we aim to ensure that social care in Scotland is not only sustainable but also exemplary, reflecting the high standards and compassionate care that our communities deserve.

As a representative trade body and the voice of the independent social care and support sector, Scottish Care provides support to over 350 private, not for profit and charitable provider organisations (the independent sector), totalling almost 900 individual services that deliver residential care, nursing care, day care, care at home and housing support services. These organisations deliver a wide range of registered services for older people and those with long term conditions, learning disabilities, physical disabilities, dementia or mental health conditions.

Introduction

Social care is an agreement by all of society that places the autonomy and priority of those who use care at the forefront of decision-making. Government, both local and central, and the sector itself have a collective commitment to support the equitable delivery of a high quality, rights-based, person-led social care. By focusing on people and communities we can begin to understand their needs and aspirations for health and wellbeing, and work together to identify the most appropriate ways to support these. This is critical amongst Scotland's aging population, with resource needed to support those living with dementia or advanced neurological conditions.

In May 2024, Scottish Care's inaugural 'Myth-Busting' briefing report evidenced how the independent adult social care sector delivers the majority of care in Scotland, offering real choice and value for money. Yet the sector awaits a sustainable fiscal environment, where its services can deliver and develop high-quality care amidst rising demand.

Now in May 2025, our latest report evidences little progress in this regard. Services continue to close their doors at an alarming rate across Scotland, to the detriment of those who require care and support in our communities. The majority of this at-risk care provision is delivered by small, often family run or women led businesses grown out of their local communities, compounding a postcode lottery and reducing choice to larger services that can manage economies of scale and funding shortfalls. Those who work in adult social care and support are also losing their jobs, alongside connections with people in their communities made over many years.

This is particularly felt by those living in rural and remote areas, who lose community connections as they find it more difficult to access care in the communities they live. This separation is exacerbated by the increased travel time of their visiting loved ones, with further emotional and fiscal impacts.

Since the previous briefing report in May 2024, other factors threaten to increase the acuteness of this trying financial and political climate. This includes the impact of the UK Government's decision to increase employers National Insurance contributions, a Scottish Government budget in December "That Kills" with its lack of ring-fenced funding for adult social care provision, and the hope of long-term structural reform abandoned alongside the National Care Service.

Given this context, Scottish Care affirms the necessity of championing the innate compassion of adult social care as the vital first step to addressing this social care crisis. **Compassion in crisis** constitutes a commitment to the improved delivery of person-led, human rights-based care, through tangible action to support the existence of the services that provide it.

This can only be achieved with a proper, sector-wide understanding of the vital role the independent sector plays in the delivery of adult social care and support, and how the sector's current plight jeopardises such delivery. Scottish Care has therefore developed the latest iteration of our myth-busting report to detail the current and true context that independent sector operates in, and what is required to deliver **Compassion in Crisis**.

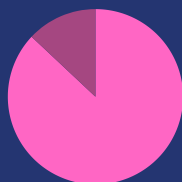


The independent sector provides the most adult social care in Scotland, with a significant economic contribution.

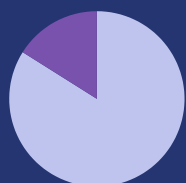
The independent sector comprises of a combined:



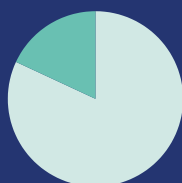
- 50.0% of adult day care services
 - 8.6% private sector
 - 41.4% voluntary sector



- 86.9% of care home services for adults
 - 64.5% private sector
 - 22.4% voluntary sector



- 83.6% of care at home and housing support services
 - 33.6% private sector
 - 50.0% voluntary sector

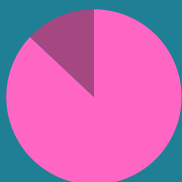


- 81.6% of combined sectors
 - 40.2% private sector
 - 41.4% voluntary sector.[1]

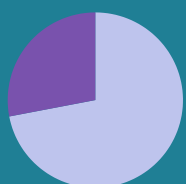
The total workforce of the independent sector represents:



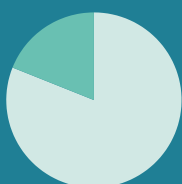
- 50.2% of the adult day care workforce
 - 6.0% private sector
 - 44.2% voluntary sector



- 86.9% of the care home for adults workforce
 - 72.6% private sector
 - 14.3% voluntary sector



- 72.0% of the care at home and housing support sector
 - 28.7% private sector
 - 43.3% voluntary sector



- 76.7% of combined sectors
 - 44.5% private sector
 - 32.3% voluntary sector.[1]

With a labour productivity of £28,400 per whole time equivalent position, and the independent sector providing 46,190 full time positions, the independent sector's workforce delivers £1.3 billion to Scotland's economy.[1-2]



The adult social care sector's economic impact, of which the independent sector comprises of 81.6% of services and 76.7% of the workforce, produces:

Total Impact - £5.2 billion Gross Value Added (GVA)

This represents 2.9% of the total GVA in Scotland in 2023, up from 1.7% in 2016.

Direct Impact - £3.2 billion GVA

Includes wages and earnings of employees in the sector, the operating profits of independent care, and amassed labour productivity.

Induced Impact - £1 billion GVA

Includes additional spending of individuals directly or indirectly employed in the sector.

Indirect Impact - £0.9 billion GVA

Includes the value and employment created in other sectors due to the adult social care sector.[2]

**Direct Impact -
£3.2 billion GVA**

**Induced Impact -
£1 billion GVA**

**Indirect Impact -
£0.9 billion GVA**

For every £1 spent on social care, there are £1.98 worth of socioeconomic benefits.[2]

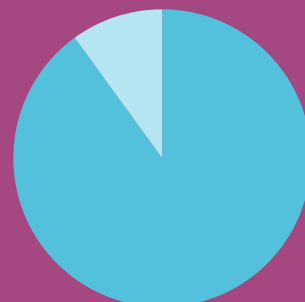


£1

£1.98

As of 31 March 2024, the independent sector has the greatest number of registered places (all adults) within Scottish care homes - 35,891 places (90% of all registered places):

- **Private Sector** – 31,801 registered places (79% of all registered places)
- **Voluntary or Not for Profit Sector** – 4,090 registered places (10% of all registered places)
- **Local Authority/Health Board** – 4,188 registered places (10% of all registered places).[3]



As of 31 March 2024, the independent sector provides 885 care homes across Scotland (87% of all homes):

- **Private Sector** – 659 (65% of all homes)
- **Voluntary or Not for Profit Sector** – 226 (22% of all homes)
- **Local Authority/Health Board** – 135 (13% of all homes).[3]



As of 31 March 2024, the independent sector provides residential or nursing care to the greatest number residents in Scotland - 30,781 residents (90% of all residents):

- **Private Sector** - 27,225 (80% of all residents)
- **Voluntary or Not for Profit** - 3,556 (10% of all residents)
- **Local Authority/Health Board** - 3,332 (10% of all residents).[3]

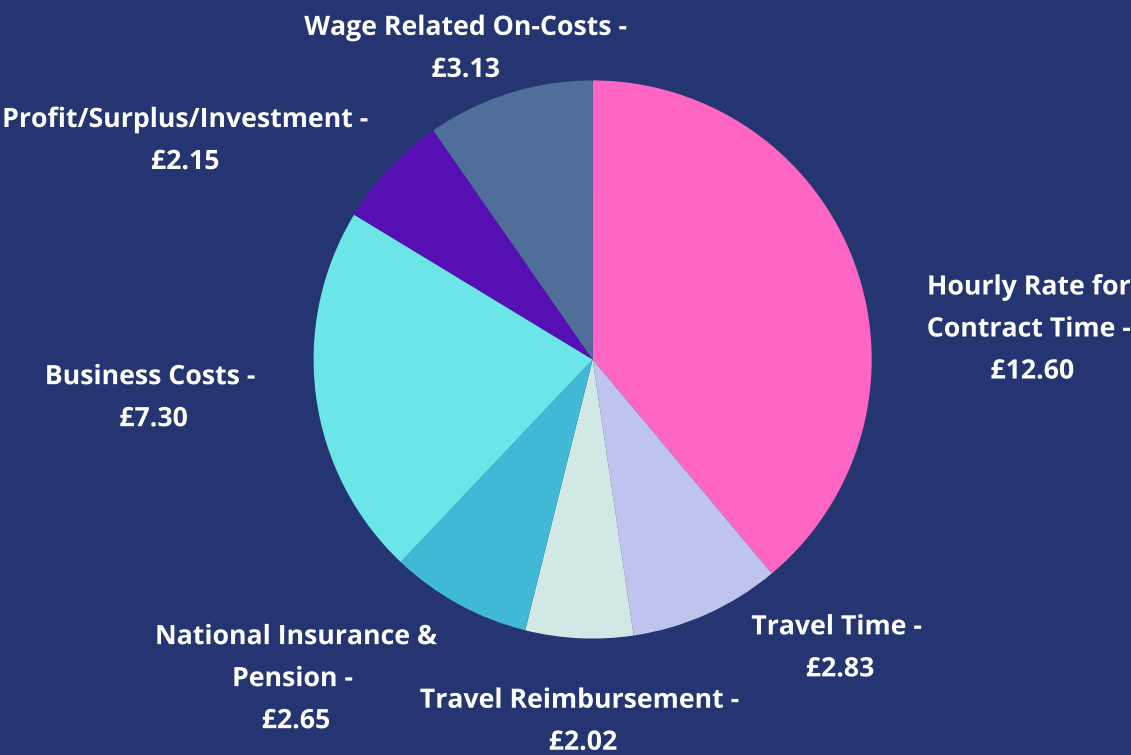


The independent sector receives insufficient funding to sustain its provision.

Failure to Meet the True Cost of Care at Home and Housing Support

In 2023, 0% of councils in Scotland paid an average price or above for Home Care Services, Homecare Association’s Minimum Price for Homecare in Scotland of £26.50 per hour¹[4]

This rate now stands at £32.88 per hour, as detailed below.[5]



£ As of November 2023, homecare prices in Scotland have only increased by **15%** since 2021 – the third lowest rise among all devolved administrations and English Government regions.[4]

As of November 2023, **46%** of councils in Scotland saw a decline in the number of hours of homecare purchased between 2022 and 2023.[4]



¹ Scottish Care notes that this recommended rate is a ‘minimum’ and may not reflect the costs of complex care delivery, for example in rural and remote areas.

Reduced Number of Care Home Residents

Between 31 March 2014 and 31 March 2024, the independent sector has experienced a 34% decrease in the number of residents within independent sector homes:

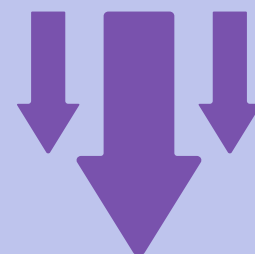
- **Private Sector** – 0% decrease
- **Voluntary or Not for Profit** – 34% decrease
- **Local Authority/Health Board** – 18% decrease.[3]



Reduced Care Home Admissions

As of 31 March 2024, there were 40,339 admissions into care homes (residential or nursing care) across all sectors.

Despite Scotland's ageing population, the number of admissions into care homes has decreased by 17,977 (31%) since March 2014.[4]



Care Home Funding Outpaced by Rising Costs

There remains a critical gap in the funding between publicly funded care home placements and the rising cost of service delivery.

As of 31 March 2024, average gross weekly charges for long stay residents in care homes for older people were:

- £1,462 for a self-funded placement with nursing care (a 94% rise since 31 March 2014)
- £1,341 for a self-funded placement without nursing care (a 95% rise since 31 March 2014)

Whereas:

- £990 for a publicly funded placement with nursing care (a 63% rise since 31 March 2014) (a 31% funding growth shortfall)
- £922 for a publicly funded placement without nursing care (a 61% rise since March 2014) (a 34% funding growth shortfall).[4]

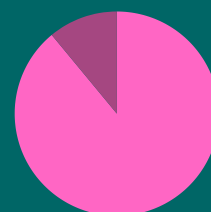
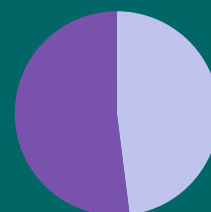
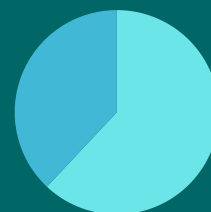


Decreasing Levels of Public Funding for Care Home Placements

As of 31 March 2024, and across all sectors, 64% of long stay residents in Scotland (people aged 65 and over) are mainly or fully publicly funded, a 3% decrease from 31 March 2021.

This reduction in public funding for adult social care, has predominately impacted the independent sector. As of 31 March 2024:

- 62% of long stay residents in private sector homes were mainly or fully public funded, compared to:
 - 64% - 2023
 - 64% - 2022
 - 67% - 2021
- 48% of long stay residents in voluntary or not for profit sector homes were mainly or fully public funded
 - 50% - 2023
 - 47% - 2022
 - 51% - 2021
- 89% of long stay residents in the local authority/health board sector were mainly or fully publicly funded
 - 87% - 2023
 - 88% - 2022
 - 88% - 2021.[4]



Increasing Reliance on Self-Funded Care Home Placements

With fee rates stagnating, providers increasingly rely on the self-funder market to maintain the viability of their organisations.

Between 31 March 2014 and 31 March 2024, the percentage of self-funded long stay residents with free nursing care rose from 56% to 61%.[4]

Late Payments

Scottish Care research from May 2024 found that 100% of respondent services had late payments for delivered care services dated over 30 days:

- £303,986 - Average amount owed
- £6,079,720 - Total amount owed

62.8% of respondent services had late payments dated over 60 days:

- £139,990 - Average amount owed
- £4,339,690 - Total amount owed.[6]



The independent sector is facing a sustainability crisis

Insufficient Returns² - Care at Home and Housing Support

Domiciliary Care in UK - 2019 – '23

- Total Profit £193.8m ↑ 2.5 %
- Profit Margin 3.4% ↑ 0.1 pp [7]

Insufficient Returns² - Residential Care

Residential Nursing Care in UK - 2018 – '23

- Total Profit £177.8m ↓ 1.0%
- Profit Margin 2.0% ↓ 0.2 pp.[8]



Earnings Before Interest, Taxes, Depreciation, Amortization, Rent, And Management Fees (EBITDARM)

Scotland is below the UK average of EBITDARM as % of income, for both personal and nursing care:

- For personal care, Scotland is the 5th lowest (24%) across all devolved nations and English regions
- For nursing care, Scotland is the 4th lowest (22%) across all devolved nations and English regions.[9]

Care Home Closures

Between 31 March 2014 and 31 March 2024, the independent sector accounts for the greatest loss of care homes in Scotland, with 43 less registered services compared to 2014:

- Private Sector – 7 less registered services
- Voluntary or Not for Profit Sector – 36 less registered services
- Local Authority/Health Board – 27 less registered services.[3]



² Profit in the sector is significantly below what a bank requires to deem a business to be financially viable. For context, other service industries sit at a much higher level of profit e.g. hotels 10- 30%, and hairdressers 10 - 15%. Profits are required to reinvest in businesses such as in learning and development for staff, and capital or building costs.

Decrease in Registered Care Home Places

Between 31 March 2014 and 31 March 2024, the independent sector experienced the greatest decrease in registered care home places, with a loss of 1,848 places (5% decrease):

- Private Sector – 55 place decrease
- Voluntary or Not for Profit Sector – 1,793 place decrease
- Local Authority/Health Board – 575 place decrease.[3]



National Insurance Rises

It is important to place this data in the context of the UK Government's decision to increase employers' National Insurance Contributions, bringing additional fiscal pressures on strained social care providers. Research of Scottish Care members, providers of adult social care, revealed:

- 39.54% - Average increase in respondents' employer contributions
- 4.67% - Average increase in respondents wage costs
- 33% - Respondent services reporting a likelihood of increasing fees or cutting services for publicly funded residents due to escalating costs
- 97.83% - Respondent services who stated the National Insurance changes make their organisation less sustainable
- 48% - Respondent services who identified service closure as a very real possibility if additional funding or exemptions are not provided.[10]



The independent sector's ability to deliver person-led care is impeded

Without sustainable funding, independent sector care and support providers cannot provide a sustainable level of care to those in need. The following anonymised testimony of independent adult social care providers evidences the impact of this crisis in sustainability and the need for **Compassion in Crisis**.

Care at Home and Housing Support Provision

The delivery of commissioned care by independent care at home and housing support services can be characterised by reduction, both in care hours and in whole packages. This is evidenced in the cases below:

"In an attempt to claw back the overspend, we are waiting weeks for clients to receive increased time, as they approach end of life. One council has reduced new services to three visits instead of the normal four for most new packages of care. We're trying to increase visits for clients who require four for medication, as the council expect care staff to just leave the medication out for them rather than provide a fourth visit. There is always a tug of war despite practice like this failing to meet current guidance and legislation on safe, person-led care."

"We have had space for a long time and informed the council, but still not been given anything. If one of our clients go into hospital, we rarely are given the client back when they are discharged once the week has elapsed. This would have been good for continuity of care and the client's wellbeing rather than start all over again with another care provider."

On the rare occasion it is offered back it is always reduced from what it was prior to admission. Even if its palliative care, part of it is reduced to 15-minute visits. It's never more time. When the clients condition deteriorates, and we ask for more time to pay the carer, they have refused and said it needs to be assessed again to justify it. Meanwhile our carers are over their time at every visit, ensuring the care is effective. The care provider must pay this themselves. 15-minute visits are no use to give effective care, they add to failed discharges and more hospital admissions, and aren't financially viable for any company."

We have reduced our price twice and still the council refuse to give us work. Despite being a leading care provider for 15 years we cannot continue as it stands without the reliability of Health and Social Care Partnership (HSCP) packages, and the reduction in timings to 15 mins is not financially viable for us. We are at breaking point. I can't see us remaining in this sector for much longer."

"This [reduction in hours] is an everyday occurrence now. Vulnerable people are being reviewed with no family members present, and the provider has no knowledge of the reduction in hours until it comes through in an email with no notice at all. Challenging this would bring the risk of losing the package of care to another provider, contrary to the Self-Directed Support legislation and people's right to have choice and control of who they would like to provide care."

"My service has received a reduction in the commissioning of 'sleepover' services. At times this has been correctly done, but many have been based on finances rather than safe support, with no alternative given. There has also been a decrease in small packages leaving vulnerable adults with no support and contingencies. Long term this doesn't work because as I've witnessed, people end up with more hours as they enter into a crisis situation."

"Older adults are treated appallingly. 15-minute visits with no food or fluid support for someone with dementia and no family that lives locally. Independent providers and families being asked to do more and more tasks out with their remit".

"Our local authority has drastically reduced the packages of care for many of our existing clients, while simultaneously increasing the threshold at which individuals become eligible for publicly funded support. We are now receiving enquiries from people that have been told they are not eligible or do not meet the criteria for funding/support."

"We have several clients who are telling us that they are being given 15-30 minutes for a morning visit, which is meant to include, washing, dressing, medications and breakfast. They tell us they feel rushed or not receiving the proper care. As a company, we do not do any visits under an hour, so we do not accept those packages but are going in out with these visits mostly privately as the care being offered isn't enough. We also have care packages where the person requires help with shopping, managing meals and sorting bills, but they are allocated very limited hours and often just 2 days a week. These clients need someone at least every other day. Speaking to social workers, they say they agree that they need more but their hands are tied as the budget isn't there for it".

"In early 2025, the Council announced a 'resizing exercise' to address the financial deficit. Housing support packages were cut by 50% across the board until the Council had the resources in place to review packages and adjust appropriately if required. Our latest tender isn't realistically doable for the rate being offered and the rate needed to employ, train and maintain competent carers to deliver a good standard of care. The social care sector is a vital service and we want young people to choose this career path, yet the system continually risks the vulnerability and safety of our clients and the existence of our services. It is unacceptable."

"My staff were asked to make a sandwich for lunch and thus cut out a visit. We must push back on this due to our elderly customer needing to be prompted to eat and due to the potential choking risk involved."

"Service availability has reduced substantially, more so in the last 12 months. Only those deemed as critical are considered for care, so what happens to all other people requiring care who do not "fit" these criteria. As a service provider, we are seeing more frustration from family members of those receiving care, due to reductions in care package size. We have had packages reduced because care notes say, "played cards" or "had a chat for 10 min", as this is not classed as care required. Having actual human interaction and conversations, is deemed not required. Where is the care, in care? Packages are being reviewed and reduced by assessors who do not know the person, who reduce with no involvement of the service and at times, family members.

Additional financial pressures are facing services, with some providers no longer trading and/or moving councils due to the limited availability of work, with sometimes weeks before any confirmation of successful/unsuccessful bid. In all, it is a worrying time for services. Care has always been a service that has been required and sought after, now, services are closing as there is not enough work due to budget cuts. How can the system put a price on who does and doesn't receive care? We are failing many people and it is only a matter of time before something goes horribly wrong, and unfortunately, it will be at a vulnerable person's expense."



Residential and Nursing Care Provision (Care Homes)

Given the financial shortfalls of commissioning bodies across Scotland, independent care homes are experiencing a lack of available publicly funded placements. This places significant burden on both the business sustainability of the providers in question (those not at full/high occupancy) and the wider health and social care system (bed-blocking). Moreover, the pre-existing funding shortfalls of the existing model for these limited publicly funded placements (often specialist care) transfers significant regulatory and fiscal risk onto independent providers attempting to provide person-led care. This is evidenced in testimony below:

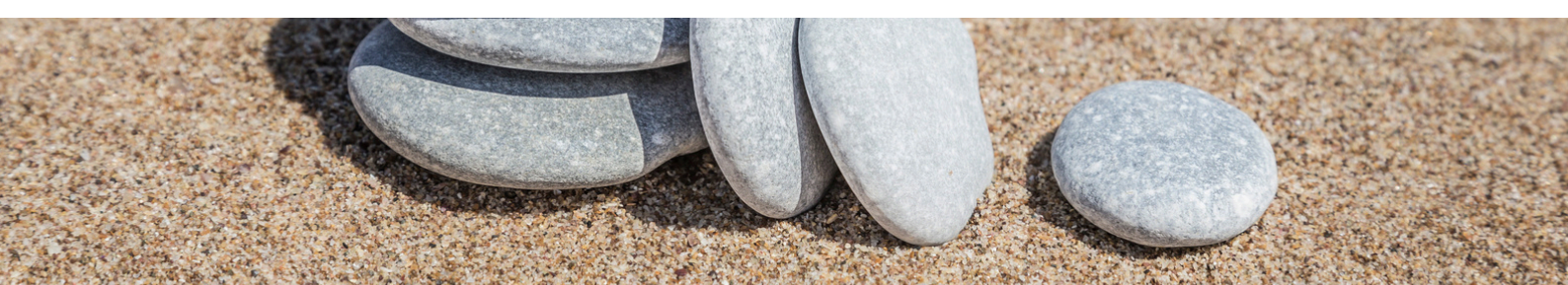
"Unfortunately, we need to remain viable and cannot do so with a high percentage of local authority funded placements."

"My service thus far has not limited the number of statutorily funded bedrooms. However, we may have to in the future, as the local authority funding available, via the National Care Home Contract, in no way reflects the reality of the rising cost of complex care. There is only so much that we can cover as a charity, on behalf of council funded residents."

"We are only able to sustain our home with 50% self-funded & 50% local authority funded residents. We are a non-profit charity and need to remain viable for all residents to access care that they need and deserve. Time sitting with empty rooms does have an impact on our home. Where possible we provide placements to people within our local area but now there have been times where we have supported placements from out with the area due to there being no placements required locally."

"The system is operating erratically at the moment, sometimes one council area is an issue, weeks later another. They all show signs of insufficient funding and staffing, and reductions apply both the social work funded residents and also free personal and/or nursing care."

"I have several prospective clients on the waiting list, currently within local hospitals bed blocking. There is no funding to get these poor people into care homes to improve their lives".



Conclusion

The independent adult social care sector:

- Provides the most social care in Scotland, with a significant economic contribution, yet;
- Receives insufficient funding to sustain this provision, and;
- Faces a crisis of sustainability, which;
- Impacts the delivery of rights-based, person led care.

As the above data and cases articulate, the independent sector provides a range of expert services for a multitude of complex needs and long-term conditions. Yet, it never more has needed support to keep doing so. The current undervaluation of the care the independent sector provides is at stark contrast to its foundational importance to Scotland's economy and wellbeing, and the rights of citizens to live in dignity.

With these truths laid bare, Scotland must address this crisis facing the adult social care sector in Scotland. This involves unleashing to the vast potential of our many independent services to offer **compassion in crisis**, for those most in need in our communities.

Get in Contact

Should you have any queries about the content of the report, media inquiries, or wish to get involved with Scottish Care's ongoing advocacy, please feel free to get in contact through info@scottishcare.org.



References

- [1] Scottish Social Services Council. 2023 Detailed Workforce Information. December 2024.
- [2] Scottish Social Services Council. Economic And Social Value of the UK Adult Social Care Sector: Scotland. 2025.
- [3] Public Health Scotland. Care Home Census for Adults in Scotland: Statistics for 2014 to 2024. October 2024.
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- [9] Knight Frank. UK Care Home Trading Performance Review 2024. November 2024.
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