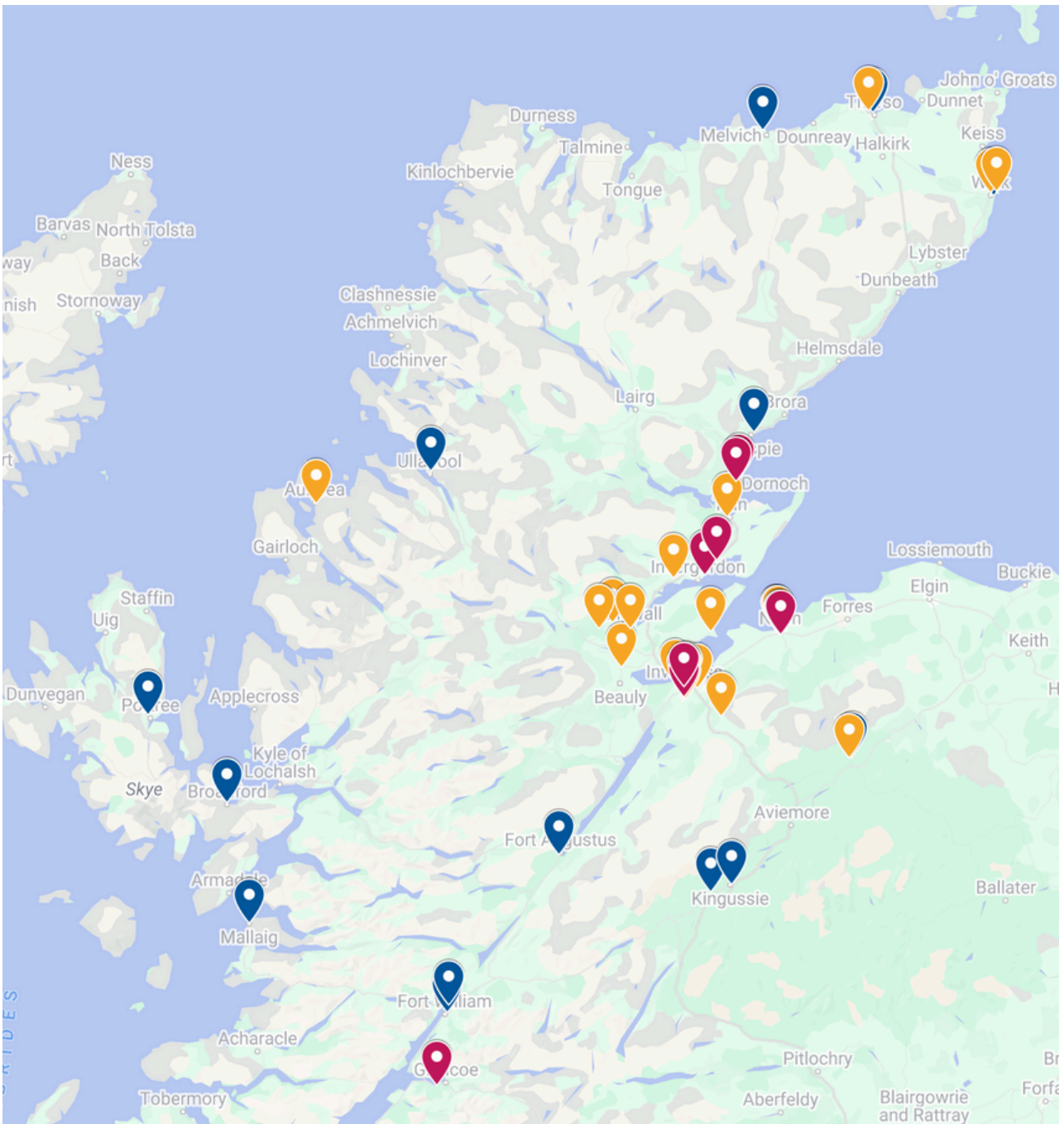


HIGHLAND CARE HOME REPORT

A surge in the number of elderly people, combined with dramatic cost increases and staff recruitment issues, is jeopardising the viability of the care homes in the Highlands.



Published by Angus MacDonald
MP for Inverness, Skye and West Ross-shire

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Introduction from Angus MacDonald MP

Welcome to my report on the care sector in the Highlands – my hope is that this will galvanise change and help save a sector struggling under financial pressures and workforce challenges.

Our care homes need our help – it's time to act



The care sector in the Highlands is on the brink of crisis, teetering on the edge.

In the last decade, between 2014 and 2024, the number of care homes for older people in the Highlands fell by 18%. At the same time, the percentage of people aged 75+ in the Highlands increased by 71.9% – and is set to increase by a further 34% by 2028. This demographic challenge is an existential threat for care homes. With this ageing population, the demand for care services has risen sharply in recent years.

Understanding the specific pressures faced by care homes in the Highlands is essential for laying out a comprehensive and thoughtful plan for the future to ensure the long-term viability and sustainability of the sector. This report, with its in-depth survey of care homes, presents an overview of the current financial and workforce challenges facing care homes for older people in the Highlands.

The past five years have been among the most financially challenging the care sector has ever faced, with the impact of the COVID-19 pandemic, historic inflation, and high interest rates putting immense pressure on care providers. A majority of respondents to our survey agreed that financial difficulties posed a significant threat to their care home's operations and financial sustainability.

There are also significant staffing problems facing the sector in the Highlands. The population is aging rapidly, while younger working-age people leave the Highlands. This has created a severe staffing crisis. Low pay, antisocial hours, negative perceptions of the care sector and a lack of affordable local housing turn away high-quality dedicated applicants – the very people the Highlands so desperately needs.

As care homes close across the Highlands, hospitals increasingly grapple with the issue of 'delayed discharges', placing further strain on the fragile state of the NHS and the remaining care homes and carers left.

It is my hope that this report, with its detailed data and the voices and views of those within the care sector, will speak to the urgency of the change that needs to happen. The care sector is on its knees – we need to act now, or we'll look back in the future and regret our inaction.

Liberal Democrat MP for Inverness, Skye and West Ross-shire

Executive Summary

This report provides an overview of the challenges facing care sector in the Highlands. It follows an independent survey of 41 care providers, representing the care of roughly 1,275 people. Faced with ongoing systemic challenges, an ageing population, increasing demand for support, a limited workforce supply, and persistent underfunding, Highland care homes are increasingly operating in “survival-mode”.

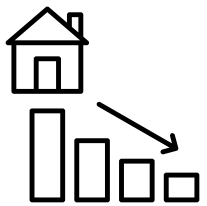
Key Statistics



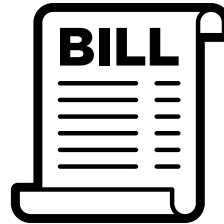
The percentage of people aged 75+ in the Highlands increased by 71.9% between 2001 and 2023



92.6% of independent survey respondents rated NICs changes as “Very Significant” or “Somewhat Significant” for their operations and financial sustainability*



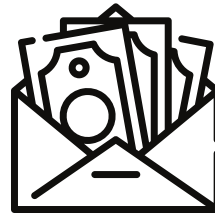
Between 2014 and 2024 the number of care homes for older people fell by 18% in the Highlands



68.2% of survey respondents rated increased bills and utilities costs as “Very Significant” or “Somewhat Significant” for their operations and financial sustainability



Of the 47 care homes in the Highlands, only 8 are located on the west coast due to closures - only around 200 beds



78% percent of survey respondents rated low pay as a “Very Significant” or “Somewhat Significant” barrier to recruitment



Nearly 90% of respondents (88.46%) regularly admitted residents who had been delayed in hospital.



65.8% percent of survey respondents rated lack of affordable local housing as a “Very Significant” or “Somewhat Significant” problem

Our Solution: Invest £60 million now to save millions in the future

- This report calls for the construction of four new care homes with staff accommodation on the west coast – in Portree, Fort Augustus, Ullapool, and Fort William, at an estimated cost of £60 million.
- This would tackle the crisis of closing care homes by expanding capacity in what’s currently a ‘social care desert’, help reduce delayed discharges, improve the stock of affordable housing for care staff, and provide a significant economic boost to the Highlands.
- We are also calling for immediate relief to mitigate the impact of NICs increases, a renegotiation of the National Care Home Contract to reflect the true cost of care, and a cap on agency fees – all of which will help to ensure the sector’s long term financial viability, protecting rights and access of people to high-quality and accessible care.

*Note: This excludes NHS data as they will be exempt from the NICs rise.

Part One: Overview

Demographic Changes

Scotland

Scotland's population is ageing. In 2022, there were more people in the older age groups than ever before recorded in Scotland's census. There are now over one million people aged 65 and over (1,091,000): over a quarter of a million higher than the number of people under 15 (832,300).

In Scotland, the 65 and older age group (65+) saw a large increase compared to 2011:

- 65+ population increased by 200,700 (up 22.5%)

The 65+ population also increased in other UK countries. In England and Wales the 65+ population increased by 20.0% between 2011 and 2021. In Northern Ireland the 65+ population increased by 23.8% over the same period.

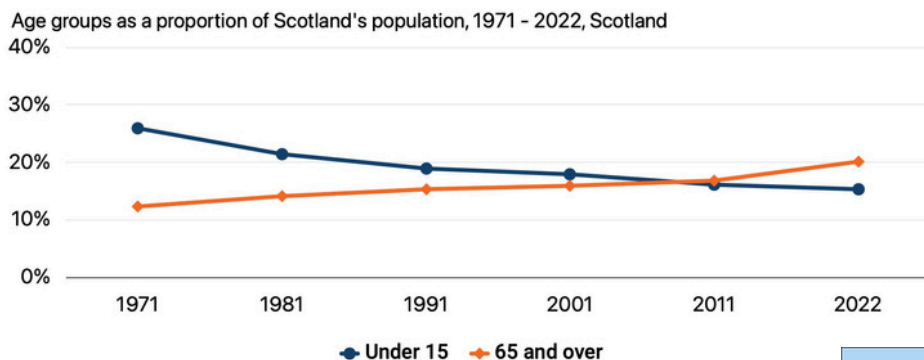


Figure 1: (Source: Scotland's Census 2022 - Rounded population estimates; 12/09/2023).
Source: <https://www.scotlandscensus.gov.uk/2022-results/scotland-s-census-2022-rounded-population-estimates/#section12>

The Highland Council Area

The Highland Council serves a third of the land area of Scotland, including the most remote and sparsely populated parts of the United Kingdom. It has the 7th highest population of the 32 authorities in Scotland (235,540) while having the lowest population density at 8 persons per square kilometre.

Between 2001 and 2023, the 75 and over age group saw the largest percentage increase (+71.9%). At the same time, the percentage of younger people decreased (Figure 3).

By 2028, the 75+ population is estimated to have increased by a further 34% in the Highlands.

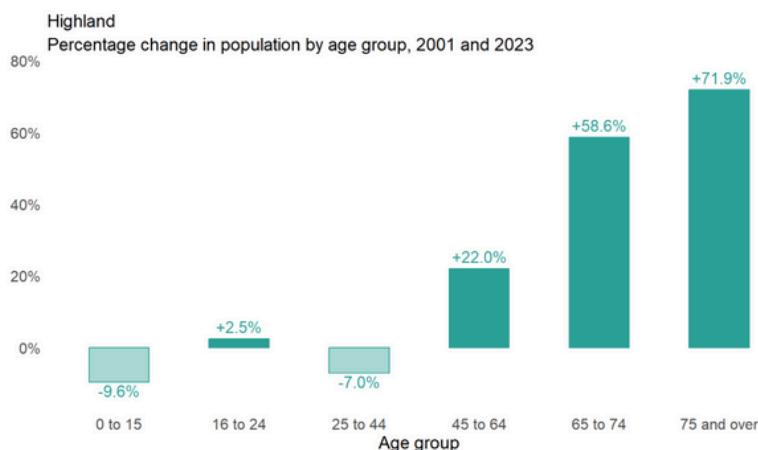


Figure 3: Highland percentage change in population by age group, 2001 and 2023.

<https://webarchive.nrscotland.gov.uk/20241128124441/https://www.nrscotland.gov.uk/files/statistics/council-area-data-sheets/highland-council-profile.html>



Figure 2: Map of the Highland Council Area

An ageing population has significant consequences for the future of social care, as greater demand is placed on health and social care services.

“This is placing further strain on a healthcare system that is already at breaking point”

Scottish Human Rights Commission, November 2024.

Care Sector Overview

Number of Care Homes and Care Home Residents

Public Health Scotland publish data on care homes in Scotland in their annual Care Home Census.* Note that data for 2020 is unavailable due to the Covid-19 pandemic.

Between 2014 and 2024, the number of care homes for older people fell by 14% in Scotland and 18% in the Highlands. All but one of the closures (Figure 4) were non-public sector, highlighting the difficulties facing independent care homes. Across the Highlands, there were around 120 fewer residents in care homes for older people in March 2024 compared with March 2014, a 8% reduction. This is partly due to closures and a lack of beds, but more due to the increase of 'care at home'. This has grown in popularity with advances in care technology and a desire of people to remain independent for longer. While care at home can meet most people's needs, the need for care homes remains for those who need them.

All adult care homes					Care homes for older people			
As at March:	Local Authority /Health			Total	Local Authority /Health			Total
	Board	Private	Voluntary or Not for Profit		Board	Private	Voluntary or Not for Profit	
2014	17	48	16	81	15	38	8	61
2015	17	44	13	74	15	36	8	59
2016	17	43	13	73	15	35	8	58
2017	17	41	13	71	15	33	8	56
2018	15	40	14	69	15	32	9	56
2019	15	40	13	68	15	32	8	55
2021	15	40	13	68	15	32	8	55
2022	16	40	13	69	16	32	8	56
2023	16	37	12	65	16	29	7	52
2024	16	35	12	63	16	27	7	50
Change since 2014								
Number	-1	-13	-4	-18	+1	-11	-1	-11
%	-6%	-27%	-25%	-22%	+7%	-29%	-13%	-18%

Figure 4: Number of Adult Care Homes in the Highlands
Source: <https://scotland.shinyapps.io/phs-care-home-census-2024/>

All adult care homes					Care homes for older people			
As at March:	Local Authority /Health			Total	Local Authority /Health			Total
	Board	Private	Voluntary or Not for Profit		Board	Private	Voluntary or Not for Profit	
2014	193	1,443	264	1,900	186	1,250	196	1,632
2015	203	1,437	243	1,883	193	1,258	190	1,641
2016	217	1,451	242	1,910	204	1,274	185	1,663
2017	231	1,306	226	1,763	219	1,115	174	1,508
2018	199	1,318	249	1,766	199	1,125	199	1,523
2019	192	1,374	239	1,805	192	1,183	191	1,566
2021	188	1,318	246	1,752	188	1,136	199	1,523
2022	205	1,303	242	1,750	205	1,132	195	1,532
2023	203	1,357	219	1,779	203	1,168	171	1,542
2024	214	1,315	217	1,746	214	1,123	172	1,509
Change since 2014								
Number	21	-128	-47	-154	+28	-127	-24	-123
%	11%	-9%	-18%	-8%	+15%	-10%	-12%	-8%

Figure 5: Number of Residents in Care Homes in the Highlands
Source: <https://scotland.shinyapps.io/phs-care-home-census-2024/>

Ownership

The majority (65%) of care homes in Scotland are run by the private sector, but care homes are also run by the public sector (Local Authority, NHS Board), and the voluntary/not for profit sector.

From our data, of the 47 care homes in the Highlands: 14 are NHS Highlands, 24 are private sector, and 9 are third sector.

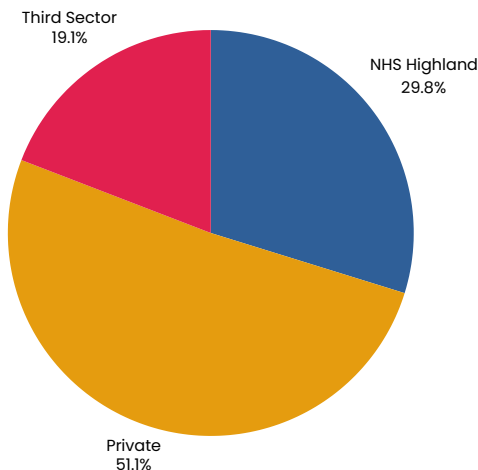


Figure 6: Highland Care Homes by sector



Figure 7: Map of Care Homes in the Highlands by sector
Blue: NHS
Orange: Private
Red: Third Sector

*Note: in our data and survey, we count 47 open care homes in the Highlands. This discrepancy is due to some closed and temporarily closed services after the Census date of 31 March 2024. These are not included in this report.

Care Home Fees

The cost of a care home place can be funded by a resident themselves (self-funders), or following an assessment, the resident can be partially or fully publicly funded.

In March 2024, when data was collected by Public Health Scotland, approximately 58% of all long stay residents in care homes for older people in the Highlands were fully or mainly publicly funded and 42% were fully or mainly self-funded (Figure 8). Personal care and nursing care are free to anyone who has been assessed as needing them by the Local Authority.

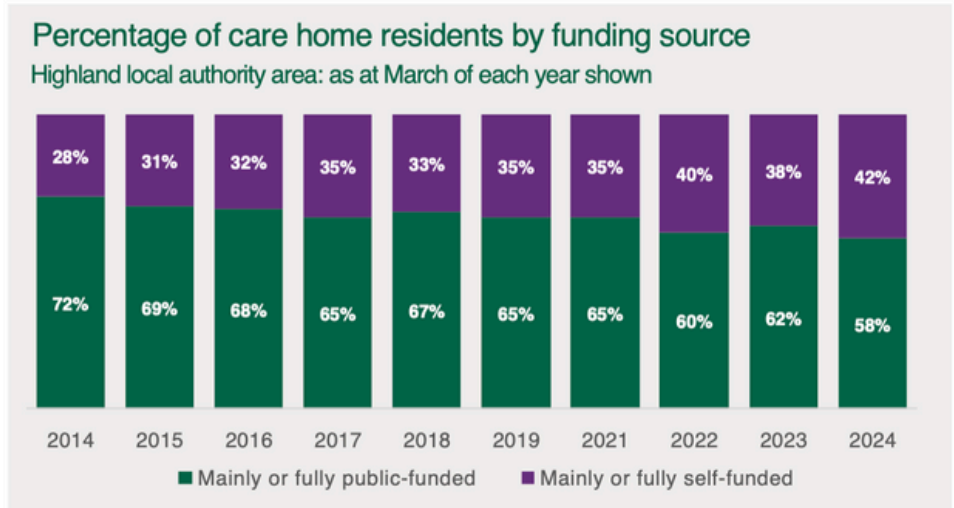


Figure 8: Percentage of care home residents by funding source, Highland
Source: <https://scotland.shinyapps.io/phs-care-home-census-2024/>

Data is published on the average weekly cost of care home fees for self-funded residents. As Figure 9 shows, real terms (i.e., inflation adjusted) weekly care home fees in the Highlands increased between 2014 and 2024 by:

- around £436 per week for care without nursing (a 43% real terms increase)
- around £478 per week for care with nursing (a 44% real terms increase)

Average weekly care home costs for self-funders Real terms figures in 2023/24 prices				
As at March:	Scotland		Highland local authority	
	No nursing care	With nursing care	No nursing care	With nursing care
2014	£913	£1,005	£1,016	£1,083
2015	£940	£1,025	£1,043	£1,084
2016	£996	£1,087	£1,096	£1,178
2017	£1,033	£1,132	£1,136	£1,214
2018	£1,063	£1,180	£1,151	£1,243
2019	£1,106	£1,231	£1,241	£1,375
2021	£1,203	£1,344	£1,261	£1,381
2022	£1,252	£1,396	£1,328	£1,403
2023	£1,283	£1,404	£1,421	£1,514
2024	£1,341	£1,462	£1,451	£1,561
Change since 2014				
£/week	+£428	+£457	+£436	+£478
%	+47%	+46%	+43%	+44%

Figure 9: Average weekly care home costs for self-funders, Scotland

Source: Public Health Scotland [Care Home Census](#) and OBR Economic and Fiscal Outlook October 2024 - annual consumer price inflation, Table 1.7 of detailed forecast economy tables

In 2024, care homes were between 6.8%–8.2% more expensive in the Highlands than elsewhere in Scotland

In each year shown, **the weekly cost for the Highland area was higher** than the Scotland average.

In 2024, self-funded residents in Highland care homes were paying around £110 per week more for care homes without nursing and around £100 per week more for care homes with nursing.

This means self-funders in the Highlands pay approximately £5,000–£5,500 more per year for care compared to the rest of Scotland.

This is due to several factors. There is a gap between what the state pays for a resident's care and the actual cost of care. This drives private and third sector care homes to increase their prices for self-funded residents to remain financially viable. The price is further driven up by the combination of the lack of availability and demand for beds. Transport and energy costs are significant in the Highlands, leading small care home operators to increase fees.

Part 2: Highlands Care Home Survey

Survey Methodology

To further understand the picture of care in the Highlands, we undertook a survey of the 47 open care homes for older people in the Highlands. The survey was designed on Microsoft Forms and was communicated via email, post, and telephone to care homes. Respondents had a window of nearly 60 days to respond to the survey from initial communication in January 2025 until mid-March 2025. The survey contained a mixture of quantitative and qualitative questions, allowing for respondents to give open-ended responses as well as quantitative data.

We received 41 responses, an 87% response rate.

The private sector and third sector responded to the survey directly. The NHS responded centrally on behalf of the care homes, supplying mostly quantitative data rather than answering qualitative questions.

Within this report, the data is anonymous. Where a more specific descriptor is used, it only refers to the sector or general geographic location and only when absolutely needed for additional context.

Information was also sourced from public-access data, including from Public Health Scotland, the Scottish Care Census, Care Inspectorate Scotland, and news media.

Key Issues

Our questions focused on the financial challenges facing the care sector, workforce challenges, including the issue of affordable housing for staff and the retention of staff, the geographic situation care homes in the Highlands, and the relationship between delayed discharges in hospitals and care homes. We also sought care home managers' opinions on the best practice and policy - the ideal care home in terms of numbers, staff-patient ratios, and the role of Care Inspectorate Scotland. Finally, we sought responses on the future of the care sector in the Highlands.

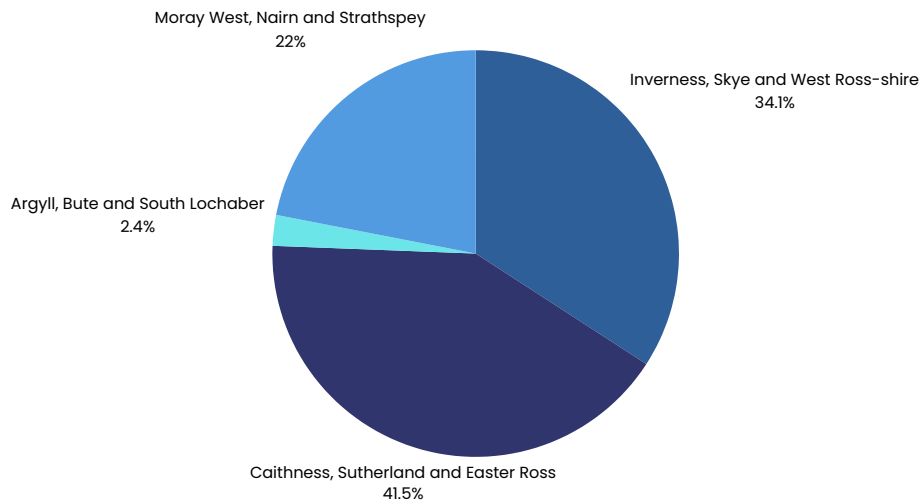


Figure 10: Pie chart of responses by constituency

The response rate by sector (right) was satisfactory. The NHS responded centrally, making it a 100% response rate. The private sector response rate was 79% and the third sector response rate was 89%.

By constituency (left), we had an 100% response rate from both Moray West, Nairn and Strathspey and Argyll, Bute and South Lochaber. From Inverness, Skye and West Ross-shire, we received an 82% response rate, while in Caithness, Sutherland and Easter Ross we received an 85% response rate.

This ensures that we did not have a geographic bias in the survey, ensuring representation from the care homes across the Highlands.

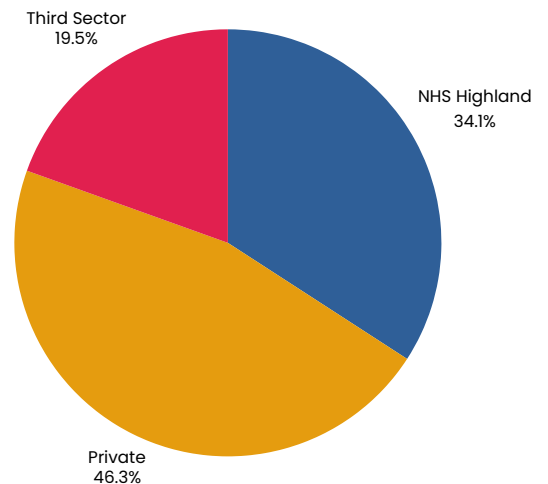


Figure 11: Pie chart of responses by sector

Financial Challenges

The recent UK and Scottish Budgets introduced significant challenges for the social care sector.

The past five years have been among the most financially challenging the care sector has ever faced, with the impact of the Covid-19 pandemic, historically high inflation, and interest rates putting immense pressure on care providers.

The UK Autumn Budget, announced in October 2024, introduced measures that have intensified financial pressures on social care providers.

Notably, changes in Employer National Insurance contributions will disproportionately affect the care sector. The Budget increased the rate of NICs paid by employers on their employees' earnings, from 13.8% to 15%. While a 1.2% increase might seem minor, it represents an 8.7% relative increase in the NICs.

Additionally, it altered the threshold at which employers start paying National Insurance from £9,100 to £5,000 per employee.

The National Living Wage was raised by 6.7% to £12.21 per hour. Social care workers in Scotland are currently paid in line with the previous Scottish Living Wage rate of £12. The Scottish Living Wage increased to £12.60 in October 2024. This will hit social care providers particularly since staffing costs are usually between 80-90% of overall costs.

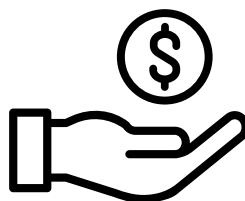
These recent changes are on the back of increased cost of living and increased fuel and energy prices, all of which were onerous for the care sector, which faced additional challenges during the Covid-19 pandemic.

A Scotland-wide survey of independent care home conducted by Scottish Care found that these changes could result in cost increases ranging from £25,000 to £17 million annually per provider.

Nearly 98% of Scottish Care survey respondents expressed concerns about their organisations' sustainability under these conditions, with almost half (48%) of surveyed care homes in fear of closure following the budget

While there have been widespread calls for independent social care employers to be exempt from these NICs increases, the sector looks to continue to shoulder a disproportionate burden despite already being under strain.

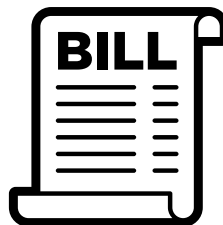
Scottish Care Chief Executive Donald Macaskill the additional pressures may be **"the straw that breaks the camel's back"** if urgent, practical and resource-based solutions are not found.



92.6% of independent survey respondents rated NICs changes as "Very Significant" or "Somewhat Significant" for their care home's operations and financial sustainability*



92.6% of independent survey respondents rated increases in the National Living Wage as "Very Significant" or "Somewhat Significant" for their care home's operations and financial sustainability*



68.2% of survey respondents rated increased bills and utilities costs as "Very Significant" or "Somewhat Significant" for their care home's operations and financial sustainability

"The sector is consistently being tasked with doing more for less"

Survey Respondent

*Note: This excludes NHS data as they will be exempt from the NICs rise.

*Note: This excludes NHS data as they already pay above the Living Wage. The average hourly rate for NHS care staff was £36.19 from their responses to the survey.

Meanwhile, **the Scottish Budget** was criticised by care providers for lacking any clear and targeted support for social care.

While the Scottish Government pledged £21 billion for health and social care, Scottish Care claimed there was no explicit “ring-fenced” funding for social care services and their workforce, leaving the care sector without clear funding.

Scottish Care warned that “providers are already at breaking point, grappling with rising costs, including the significant burden of National Insurance increases [...] additional financial pressures will force many care providers to reduce services or close altogether, leaving vulnerable individuals without essential care”.

“Scottish Care called for a budget that cares. This is a budget that kills [...] People are dying because they can’t get the social care they need”

Statement from Scottish Care on the Scottish Budget 2024

The National Care Home Contract (NCHC)

The National Care Home Contract (NCHC) rate is agreed annually between COSLA and care providers, represented by Scottish Care.

The NCHC sets nationally agreed rates for care home placements. This ensures that care homes across Scotland receive the same level of funding per resident, regardless of which local authority is paying.

Current Rates (2024–25):

- £825.94 per week for residential care
- £948.59 per week for nursing care

Since over 58% of care home residents are funded by the state, this contract is essential for care providers’ financial stability.

However, respondents to the survey, especially private and third-sector care homes, noted that despite mounting financial pressures, public sector funding through the NCHC has failed to keep pace, putting the long-term sustainability of care services at serious risk. Responses emphasised that funding settlements through the NCHC did not accurately reflect the true cost of delivering care, forcing many care providers to choose between cutting services or raising fees for privately funded residents to remain financially sustainable. In more prosperous urban areas, the ratio of self funded to public sector funded residents is high. In remote areas, such as Skye or Ullapool, there are fewer self funded residents to provide the subsidy needed for public sector funded residents.

Survey respondents warned that the growing gap between what the state pays for care and what privately funded residents contribute will only widen, making care only accessible to those who can afford it and pushing others out of the system. One survey respondent stated that this was **“manifestly unfair on those who pay for their care”**.

The Scottish Budget committed £125 million towards delivering the Real Living Wage for social care workers by April 2025.

Whilst this move was welcomed by the care sector, Scottish Care described it as “just one element in meeting the true cost of care”, with measures such as recognition of pay differentials, solutions for funding shortfalls, and mitigation for the NICs rise were all “conspicuously absent”.

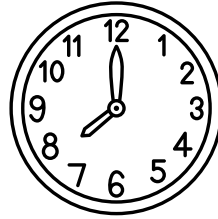
“Focus on pay for social care workers becomes meaningless if there is not a sustainable sector for them to work in”

Statement from Scottish Care on the Scottish Budget 2024

Workforce Challenges



78% percent of survey respondents rated low pay as a "Very Significant" or "Somewhat Significant" barrier to recruitment



82.9% percent of survey respondents rated antisocial hours and challenging work as a "Very Significant" or "Somewhat Significant" barrier to recruitment



87.8% percent of survey respondents rated negative perceptions of the social care sector as a "Very Significant" or "Somewhat Significant" barrier to recruitment



65.8% percent of survey respondents rated lack of affordable local housing as a "Very Significant" or "Somewhat Significant" barrier to recruitment

"Workload is demanding both emotionally and physically"

Survey Respondent

"No one wishes to work in care any more...wages are higher in other sectors"

Survey Respondent

"Those who work in health and social care do not currently feel valued in spite of a very demanding job requiring significant skill sets"

Survey Respondent

"It is a really hard job when you can get the same money in a job where there is no hassle"

Survey Respondent

"A lot of us want to leave care because every aspect of our work is examined and scrutinised in detail and you need to have a really tough skin"

Survey Respondent

"[the] salary does not reflect the workload or skills required"

Survey Respondent



The Scottish Highlands are facing a severe social care staffing crisis, with around 120 vacancies in the region.

NHS Highland spent more than £41 million on agency nurses between 2019 and September 2024.

NHS Highland reported over 1,000 agency nurses were paid from July to September 2024 to cover vacancies and sickness.

Low Pay & Negative Perceptions Affecting the Care Sector

Social care workers are often underpaid and undervalued, leading to high turnover rates and challenges in recruiting and retaining staff. Some care homes, such as the Mackintosh Centre in Mallaig or Grant House in Granttown on Spey, have experienced temporary closure or reduced bed numbers due to staffing shortages. Current pay rates and contracts offered to carers have made the profession less attractive, driving many to leave the sector for jobs in hospitality or other services. Across the Highlands, recruitment efforts have been undermined by rising wages and better conditions in the hospitality sector.

Although, as noted above, 92.6% of care providers regarded increases in the National Living Wage as problematic for long-term viability, the sector is aware that low wages deter potential workers, creating a dilemma for operators and managers. Our survey found that 78% of care providers saw low wages as a deterrent to recruitment. Despite £125 million in the Scottish Budget towards delivering the Real Living Wage for social care workers, many care providers and sector representatives, such as Scottish Care, have argued that this does not go far enough to address **wage disparities** and fails to adequately reflect the professional responsibilities of care workers.

The care sector also struggles against **preconceptions of antisocial hours, career pathways, and low pay**, all of which were exacerbated during the Covid-19 pandemic with negative media coverage. It topped the reasons respondents gave for staffing problems, with 87.8% agreeing it was a significant problem. One respondent stated: “during covid we all clapped for NHS but what about the care home staff [...] **a number of staff experienced ptsd** and we all wonder how on earth we got through the long hours, sad times and we put our residents above our own health and families” and called for more appreciation for care home staff and their work.

The NHS response to the survey indicated that “**negative perception of care sector**” and lack of “awareness of what jobs entail” were major reasons behind a difficulty in recruiting and retaining staff. They added that it was “not viewed as a positive destination for school leavers”, making finding local workers difficult.

Affordable Housing and Local Infrastructure

Another major issue affecting the care sector is the lack of access to affordable housing for carers. This shortage has made it difficult to attract and retain essential healthcare staff in many parts of the Highlands. The Scottish Human Rights Commission reported in 2024 that: “The cost of renting, building, or purchasing a home in the Highlands and Islands is a significant barrier, particularly for young people. Quality affordable social housing is not available in sufficient quantities to meet the region’s needs”. High rates of tourism, especially in places like Skye, further exacerbates the problem.

Survey respondents highlighted the lack of social housing and properties to buy or rent. The lack of affordable housing was agreed to be a significant and consequential barrier to recruitment, with 65.8% respondents rating it “Very Significant” or “Somewhat Significant”.

Survey respondents also noted that a lack of associated infrastructure, such as public transport, made retaining and attracting staff difficult. One provider, located near Inverness, commented that: “on Sundays and public holidays, the **lack of public transport** makes it difficult for them [staff] to get to work”. Multiple respondents emphasised that “public transport options and lack of affordable housing are the main challenges” facing them at the moment.

Regulations in the Care Sector

Care in Scotland is regulated by the Care Inspectorate. They give care services grades, based on key areas including care and support, physical environment, quality of staffing, and quality of management and leadership. Each area is assessed on a scale from 1 to 6, where 1 is unsatisfactory and 6 is excellent.

The majority of respondents agreed that the Care Inspectorate supported the delivery of high-quality, consistent care. The NHS did not offer comment on the Care Inspectorate.

Although designed to support the delivery of quality care, some survey respondents spoke of frustrations with balancing service provision and regulation, with some care services labouring with over-burdensome administrative requirements. Respondents spoke of staff “dread[ing]” inspections, struggling with paperwork which “could be better spent looking after residents” or “physically spent with people”, of “regulations [having] **a very negative impact on the morale**” and that **“the bureaucracy involved detracts from real, hands on care”**. One respondent warned that: “Too much blame is placed on managers, which I can see may have similar consequences as seen in the Ofsted inspection system when a headteacher committed suicide based on an inspection outcome and grading”.

Interviewed respondents of care homes located in historic buildings expressed the insurmountable challenge of Care Inspectorate’s requirements relating to the property. Should a care home be transferred or sold, the Care Inspectorate requires adherence to current standards before a new registration/licence can be given. This substantial capital investment is rarely affordable, resulting in care homes closing. One respondent commented that: “They would rather no care home rather than one where the bathrooms are smaller than are now required”.

Agency Work

As care homes struggle with filling vacancies owing to the challenges highlighted above, as well as changes of immigration law due to Brexit, some are forced to employ agency staff. Agency staffing poses a significant financial challenge. The high cost of agency workers places a significant strain on care providers. One survey respondent replied that agency carers were paid around £26/hour and an agency nurse around £50/hour, plus accommodation and travel expenses. In contrast, the hourly rate for non-agency staff is around £12-17 for carers and around £20 for a nurse.

This **creates a cycle** where providers are forced to rely on agency workers, **further driving up costs and exacerbating workforce shortages**. There has been an issue, disclosed in survey interviews and local press, where contracted care staff resign and get taken on as agency staff – often to work at the same care home – for more money, better pensions and less requirement to work unattractive hours.

Most care homes minimise the use of agency as much as possible, preferring the personal connection of their inhouse teams and residents, which allows staff to develop meaningful relationships with residents and gain a deeper understanding of their individual needs – something that can be challenging with agency staff, who frequently move between care homes.

Of the care homes who used agency workers (41%), all agreed that spending on agency workers had a “Very Significant” or “Significant” impact on the care home’s operations and financial sustainability.

“Agency staff do not provide consistent care for our residents so I would not have them in my building”

Survey Respondent

“Agency staff are a luxury that many care providers can ill afford”

Survey Respondent

Capacity and Closures



Figure 12: Map of Care Homes in the Highlands by sector
 Blue: NHS
 Orange: Private
 Red: Third Sector



Between 2014 and 2024 the number of care homes for older people fell by 18% in the Highlands

Of the 47 care homes in the Highlands, only 8 are located on the west coast

- 9.5% of people in the Highlands live in 'accessible rural' areas
- 37.9% of people in the Highlands live in 'remote and very rural' areas

Scottish Government: Urban Rural Classification 2016

"...we get a lot of interest from Skye, due to the lack of homes in the west coast. We have residents from this area and the distance is difficult for families"

Survey Respondent

The closure of care homes across the Highlands in the last decade demonstrates the severity of the crisis facing the sector. Scottish Care has previously estimated that one care home in Scotland closes every week.

The need for additional care beds is particularly urgent in rural and remote areas. In the Highlands, the 18% decline has been most felt on the **west coast**, which now has only 8 care homes, with **enough space for around 200 residents**, owing to closures in the last two years.

With each closure, an individual's choice of and control over their care and support diminishes. Some areas of the Highlands are described as **'social care deserts'** due to a significant lack of available care services.

"It would be devastating for people in the whole of Lochaber, not just Fort William, if Moss Park was to close because there is nowhere else for them to go"

The problem is illustrated by a quotation from our survey (above). This provider is located near Alness, a 112 mile journey, over 2.3 hours long, from Skye. That residents on Skye are considering a care home located in Alness speaks to the lack of options and choice in finding a care home that meets their needs on the west coast.

There are only 45 care beds located on Skye to serve a population of roughly 10,000 people. According to NHS Scotland, the population aged over 75 years living in Skye and Lochalsh is **projected to increase by nearly 150% to over 3,000 people by 2041 – 1 in 5 of the total population**. It's clear that current capacity would be incapable of dealing with the demographic shift.

BBC: "FM raises concern for residents of closure-risk home", 31 Oct 2024

Moss Park Care Home (Fort William) was recently under threat of closure, but is now due to move from private ownership to the NHS. The threat of closure prompted fears residents would be moved to homes far from Fort William – to Lochgilphead (78 miles) or Wick (164 miles), as the quote (above, left) demonstrates.

The Scottish Human Rights Commission released a report in November 2024 that explored the issue of care provision. They raised concerns that many families were forced to travel long distances to visit relatives placed in care outside their original community due to insufficient local care options.

This issue was further exacerbated by a lack of public transportation, making the care homes inaccessible to those without a car. This places an additional burden, not merely in terms of increased travel time, but also financial and emotional stress on families.

The following survey respondents highlight the issue:

“We have a very large waiting list and could fill the home twice over”

“Full capacity with waiting list”

“At full capacity with an extensive waiting list”

“[We receive] constant calls from distressed families and Social Workers looking for beds”

“Waiting lists are extensive”

“Families contact the home upset as they want their loved one to move in but there is little we can do other than listen and try to support”

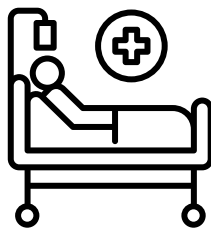
In 2023, the estimated percentage occupancy for care homes in the Highlands was 88%.

By sector, occupancy in the Highlands was as follows:

- NHS: 96% Occupancy
- Private: 92% Occupancy
- Third Sector: 89% Occupancy

Care and Hospitals

“Delayed Discharges”



The Highlands lost
**5,532 hospital
bed days
in December 2024 alone**

What are “delayed discharges” and why do they matter?

A delayed discharge occurs when a patient who is medically ready to leave hospital remains in a bed because the right arrangements aren't in place. The main cause of delayed discharges are “health and social care reasons”, which indicate a situation in which a patient has finished their hospital treatment but can't leave because they're waiting for care - whether that is a care home placement, a care package at home, or community support. First Minister John Swinney has referred to the issue as the “**canary in the coal mine**” of Scotland's NHS, an early indicator of a system struggling to cope.

This is a major issue for the NHS as it ties up hospital beds, increases costs, and can negatively impact the health and well-being of those waiting to be discharged. Lack of hospital capacity severely restricts the ability of a hospital to conduct surgery and facilitate appointments, resulting in increased waiting lists. The problem is particularly severe in rural areas like the Highlands, where access to care services is more limited.

Note on definitions: a “hospital bed day” refers to a single day a patient spends in a hospital bed. For example, if a patient stays in hospital for 3 days, that counts as 3 hospital bed days. This definition is also applied to refer to “delayed discharge bed days”, to indicate how many beds are lost due to delayed discharges. This is different from the number of people in a hospital or the individual number of delayed patients at any given point.

How bad is the situation?

In December 2024 alone, 7,237 hospital bed days were lost due to patients being unable to leave hospital on time. Out of the 7,237 delayed bed days in NHS Highland, 5,532 days (76%) were due to social care delays.



NHS Highland recorded the highest number of delayed bed days of any rural health board in Scotland.

A recent inspection (October 2024) of Raigmore Hospital in Inverness found that the hospital was operating at 103% bed occupancy, largely because of delays in discharging patients, including those needing a care bed.

The Financial Burden

Delayed discharges are not just a logistical problem - it's also incredibly expensive. Across Scotland, the total cost of delayed discharges has now reached £1.5 billion, with more than five million bed days lost over the past decade. In 2023/24 alone, delayed discharges cost £208 million, up from £195 million the previous year. This places a burden on the public sector to care for people in hospital who shouldn't be there. **The average cost of a week-long stay in an acute NHS hospital is around £2,900, more than 3X what the state pays for a care home placement. This is money that could be better spent on social care.**



In 2021/22, the cost of delayed discharges cost NHS Highland £10.7 million a year - a sum which has likely increased in recent years.

£1.5 Billion

*The cost of of delayed discharges
in Scotland over the last decade*

5 Million

*Bed days lost in Scotland over the
last decade*

How many people are affected?

According to figures published by Public Health Scotland, there were 1,890 delayed discharges across Scotland in December 2024. While that figure represents a reduction from November (2,020) and October (2,030), it nevertheless shows that nearly 2,000 hospital beds are being occupied by someone well enough to leave hospital across Scotland.

The average (median) length of delay across Scotland in December 2024 census was **29 days**. However, there have been reports of patients delayed for significantly longer or released without adequate care or follow up. Previously, the average waiting period was 88 days – almost three months. A survey respondent noted that “Individuals who have experienced significant delays are often placed outwith their preferred geographic area, which can reduce their social circle/visitors, negatively impacting their psychological wellbeing”, highlighting the connection between care home closures and delayed discharges.

In the Highlands, 178 people were delayed in hospital **in December 2024**, meaning that **NHS Highland accounted for more than 9.4% of all delayed patients in Scotland**. The NHS response to our survey revealed that there were 64 people in hospital waiting for a care home bed in March 2024, but could not confirm how many were waiting in the community overall.

In 2023, it was estimated that, across Scotland, 41% of residents to care homes were admitted from a hospital, 36% from their own home, and 11% from another care home.

Delayed discharges in the Highlands – and across the UK – are receiving increasing media attention. Recent headlines include:

Bed Bound: The chronic problem of delayed discharges is tying up resources across the NHS

Holyrood (10 Feb 2025)

Patients awaiting social care occupy one in seven NHS beds

The Times (16 Jan 2025)

Cost of delayed discharge of patients in Scotland hits £1.5bn

More than five million bed days have been lost to the problem over the last decade, figures show.

STV News (5 Jan 2025)

Discharge delays see thousands stuck in hospitals

BBC (30 July 2024)

Delayed discharge saw NHS Highland patient stuck in hospital for over four years in what is one of the worst examples in Scotland of a patient fit enough to go home but cannot because of a lack of care

Inverness Courier (26 Jan 2025)

Patients stuck in hospital over legal issues

Revealed: Staggering number of days lost to bed blocking in rural hospitals

BBC (25 Feb 2025)

Sunday Post (9 Feb 2025)

Our survey attests to the depth of this issue. **Nearly 90% of respondents (88.46%) who responded to our question about delayed discharges regularly admitted residents who had been delayed in hospital.** One respondent estimated that “approximately 80% of residents admitted have had a prolonged stay in hospital due to bed availability within the sector”.

The following survey respondents further illustrate the depth of the issue:

“Most recent [...] admission had been in hospital for 1 year”

“Delayed discharges come to us with a multitude of issues – significant impact on mental health, poor skin conditions, institutionalised”

“The majority of our residents are delayed discharge. Some only a few weeks and others can be over a year in hospital”

“The biggest impact is on the independence, activity and expectations of residents”

“Once a person has been in hospital [...] with limited opportunity to be mobile, often catheterised for no reason and confined to bed, the quality of life for this person coming into care reduces”

“The biggest impact on our operations is the decline in residents' health after spending 3 to 6 months in the hospital”

“Those who have experienced significant delays have often lost cognitive / physical function”

Part 3: The Future of Care

Current Policy and Funding Landscape

Scottish Policy

The most recent policy developments regarding social care in the Scottish Government was the “National Care Service”. This originated February 2021, following The Independent Review of Adult Social Care which recommended that the Scottish Government should create national accountability for social care support.

Following this, in June 2022 the National Care Service (Scotland) Bill was introduced. Among other things, the bill provided for the Scottish Government to have direct accountability for social care, taking social care provision and staff away from local authorities into a new national agency.

However, the Bill lost the support of trade unions, councils, and opposition MSPs. In January 2025 the Scottish Government announced that it would remove Part 1 of the Bill, which contained all the substantive sections on structural reform and accountability. Part 2 and 3 of the Bill remain, and include provisions related to improving information sharing between health and social care services and rights to visits for care home residents (‘Anne’s Law’).

Scottish local authorities fund social care through a combination of a grant from the Scottish government and local taxes to form the total spending budget. In the case of Highland Council, most funding for adult social care is then transferred to NHS Highland for the delivery of services.

While Scotland once dramatically outspent other parts of the UK on health, the gap has been closing in recent years. While Scotland continues to spend more per capita on social care than England and Wales, **2023 analysis carried out by the Nuffield Trust found that adult social care expenditure had fallen by 21% over the last decade**. Although Scotland spent more than England in 2022/23 on adult social care, this does not offset the decline in Scottish health spending relative to England.

The Scottish Budget 2025/26 committed £828.3 million for social care support. This included an additional £376.5 million for the local government core settlement, which included:

- £125 million to increase adult social care staff pay to £12.60 per hour
- £10 million to support provision of free personal and nursing care

However, as noted above, the Scottish Budget was criticised by independent care providers for falling short of expectations and for its “continued absolute obsessional focus on the NHS” (Statement from Scottish Care on the Scottish Budget 2024), which left the independent care sector facing uncertainty.

Highland Council Policy

Historically, the provision of adult social care has been distinct from health care in Scotland. Social care was the responsibility of local authorities and health care was the responsibility of health boards. The Highlands is currently different in this regard. In 2012 the Highland Council and NHS Highland entered into a Partnership Agreement to deliver health and social care services on an integrated basis, under which NHS Highland is the lead agency responsible for adult social care. Highland Council is the lead agency for health and social care for children. However, in January 2025, it was reported that NHS Highland and Highland Council were proposing to move to the model used by other areas in Scotland.

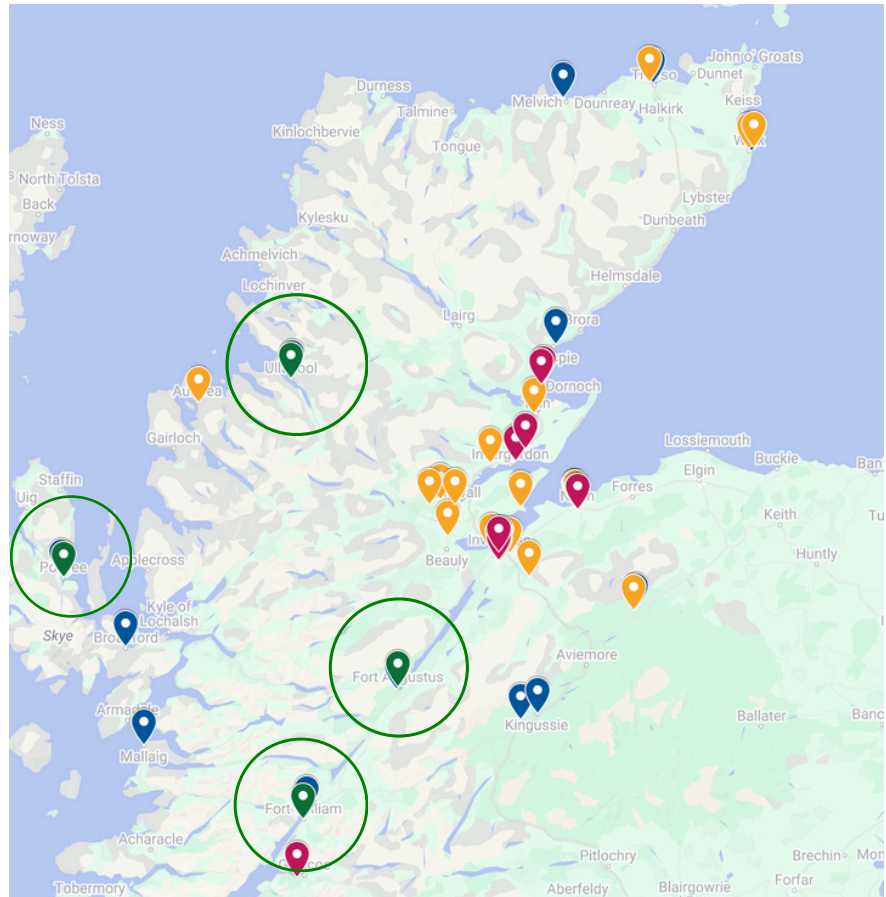
Looking back on the plan, **one figure in NHS commented that it had failed to forecast and plan for the demographic changes that are now placing pressure on the care sector in the Highlands**.

Locally, the Highland Council recently (6 March 2025) voted to raise council tax by 7% in a £818 million budget. As part of this, the 2025/26 adult social care budget was increased by £6 million, bringing the total budget to £147 million. However, the Council noted that NHS Highlands was forecast an overall £49.9m overspend for 2024/25 on adult social care.

Our Proposal: New Care Homes

Our proposal:

- The construction of four new care homes on the west coast at Portree, Ullapool, Fort Augustus, and Fort William.
- These will have between 40 - 60 beds, to 'future proof' the care sector for future demographic challenges, health sector changes, and to meet demand.
- The care homes will include the construction of staff accommodation, to help tackle one of the root causes of the crisis affecting the care sector in the Highlands.
- The construction of these care homes will be funded by the Scottish Government, then the management handed over to a separate operator.



Rationale – Why do the Highlands need the Scottish Government’s help?

The Highlands face a growing crisis in care provision, driven by a sharp increase in the population aged 75 and over, long waiting lists for care homes, and rising numbers of people being sent far from their communities for care. Delayed discharges are adding further strain to the healthcare system, with NHS Highland losing 5,532 bed days in December 2024 alone – a situation costing around £10.7 million a year (based on 2021/22 figures).

The closure of care homes in rural areas, combined with remaining homes being full, has left families with little choice but to place loved ones hours away from home, often beyond the reach of public transport. This has contributed to depopulation in parts of the west coast. Care at home services have eased some pressure but are unsuitable for people with complex care needs such as dementia. The issue is compounded by the fact that many rural care homes are older, smaller, and more expensive to run due to higher energy costs, leading to difficulties in meeting Care Inspectorate requirements. These factors make them increasingly unviable, leading to closures.

Investing in and constructing new care homes would offer one solution: allowing residents to move from unsustainable care homes and hospitals, resulting in significant savings for NHS Highland. However, major private care home providers are unlikely to invest in remote areas, finding cities a more commercially attractive option due to the presence of self-funders. Banks have also shown reluctance to lend to care home providers, limiting private sector investment. Consequently, NHS Highland has had to step in as the provider of last resort, as seen with Moss Park in Fort William. The financial burden cannot fall on Highland Council, which is already managing £1.2 billion in borrowing.

Consequently, given their responsibility for public health and their recent £4 billion allocation from Westminster’s Barnett Formula, the Scottish Government needs to step in. Investing in new care homes would reduce delayed discharges, create long-term savings, and improve care provision. While public funding is essential for construction, the day-to-day management of these facilities could still be entrusted to private sector providers. Various financial incentives, such as a ‘rural and remote’ subsidy or operational subsidies, which recognise the difficulties of operating in these areas, would ensure that the care homes were financially viable and would be able to serve the needs of the west coast in the long-term.

Benefits

Expanded Capacity for the Highlands

Scotland's ageing population and ongoing sector challenges require a long-term strategy for sustainable care provision. The construction of these care homes would have immediate benefit – expanding care bed capacity for the Highlands. This proposal would see between 160 and 240 beds restored to the west coast.

The proposed locations on the west coast would help redress the 'social care desert' that currently sees people forced to move to care homes hundreds of miles from their homes, communities and families. The strategic location of these care homes could allow older residents to remain closer to family, friends, and their local communities, reducing social isolation. This may potentially boost the potential for care at home before placement in a care home was required, as well as improving recovery outcomes and enabling better family support. Investing in new capacity in the remote Highlands would also release capacity in care homes in the Inverness area to cope with increased demand there, allowing people to remain local to their communities.

New facilities could be designed to support residents with dementia, mobility challenges, or other complex needs – groups who are often hardest to place. They may also allow for the introduction of innovative care models, including technology to improve patient monitoring and enhance quality of life, improving overall care quality. New care homes would be more energy efficient, helping to reduce the operational pressures of utilities and bills, which were highlighted as a concern by 68.2% of survey respondents.

Affordable Local Housing for Staff

There cannot be expansion of care beds without first addressing the underlying issues of the staffing crisis. Building staff accommodation alongside new care homes would help solve the lack of affordable local housing for staff, giving considerable scope to help local recruiting and save on the use of agency staff.

Some providers have already followed this model, including agreements with B&B providers, buying accommodation or building 'pods' on-site. Parklands Care Homes, for example, are constructing a new 58-bed care home to open in Milton of Leys in May 2025, which is planning to include 24 two-bedroom apartments for staff, specifically because of the issue of affordable accommodation.

Any future plans for care homes must have a holistic approach and understand that housing considerations be part of an integrated care community model. An integrated care community model could also boost the presence and visibility of care homes in local communities, highlighting the value of their work. Some NHS care homes are already working with local schools in the Highlands to develop the young workforce and prevent depopulation. New care homes could also have a nursery or crèche as a staff benefit, which would help improve staff retention.

Help Tackle Delayed Discharges

The high number of delayed discharges in NHS Highland highlights the urgent need for more care home placements. Patients are being kept in hospital, not because they need medical treatment, but because there aren't enough care home places, home care packages, or community support options available. With NHS Highlands placed the worst out of any rural health board for delayed discharges last year, it's clear that more care homes are needed to reduce the pressure on hospitals and cut waiting lists.

Eradicating delayed discharges would allow the NHS to return to normal bed levels operating at normal staff levels, rather than excess beds for delayed discharge patients, which puts a strain on staffing levels, finances, and hospital operations.

This proposal would meet the current demand, as well as have the capacity for the expected future demographic changes of an ageing population, which by 2028 will have increased by a further 34% in the Highlands.

Economic Value

The economic value of social care is often overlooked, but it can be significant for local communities and the local economy.

The construction of care homes – with an estimated cost of between £11–15 million per care home, represents a significant saving to the public sector. By investing £60 million now, we could tackle the spiralling cost of delayed discharges, which cost NHS Highlands £10.7 million a year (based on 2021/22 figures).

By investing in new care homes, this proposal would also be investing in the future of the Highlands by offering a variety of jobs – nursing, management, doctors, construction, design, as well as support roles in care homes such as cooks and cleaners. By keeping these jobs local, this would stop centralisation of jobs and public services to the cities and help prevent depopulation of the Highlands.

For example, Parklands care homes announced in local media that their operations contribute £27.5 million annually to Scotland's economy, a figure set to rise to £41.4 million by 2028. They employ 860 staff, and claim that their continued expansion will create further job opportunities, boosting local economies across the Highlands, Moray, and Aberdeenshire. Their construction of new care homes is claimed provide a significant short-term boost to the construction sector, generating a one-off economic impact of £33.4 million for the region.

Other National Measures to help the Care Sector

Financial Measures

- Immediate financial relief for social care employers to mitigate the impact of National Insurance increases.
- Targeted funding to address pay differentials and ensure long-term workforce sustainability, which would reduce agency costs.
- Funding to improve the coordination between hospitals, social services, and community care providers to streamline the discharge process and reduce delays, including investing in technology systems to track patient progress and make information sharing easier.
- Renegotiate the National Care Home Contract to create a long-term, sustainable funding model for social care, ensuring that the state contributes its fair share, closing the growing gap between what the state pays for care and what privately funded residents are required to pay to reflect the real cost of delivering complex care. With the majority of care homes concerned about their viability following the budget along with severe inflationary pressures, the care home settlement needs to be increased to ensure the viability of the sector in the Highlands

Introduce a Cap for Agency Staff

In 2023, a cap was introduced for the NHS in England to reduce the cost of agency staff and a rate card is published each year in a bid to reduce the cost of agency support. Yet, in Scotland, and within healthcare sector in general out with the NHS, there has been no support in properly regulating the number of agencies across the country or the amount they are able to charge providers. With some health boards – including NHS Highlands – paying agency staff up to 190% more than NHS staff (mostly accommodation and travel costs). Currently, NHS care homes must report to the Scottish Ministers if they pay more than 150% of a full-time equivalent employee's salary to secure the services of an agency worker, but there is no recourse to prevent the issue.

A cap on the fees associated with agencies might enable care homes to attract more staff and have more jobs created within the NHS, and save more care homes across the country from going into administration.

Ensure the Care Inspectorate is Supportive and Constructive

Responses to our survey spoke of their frustration and concerns about the bureaucracy of the Care Inspectorate. At the same time, many agreed that it acted to ensure the delivery of high-quality care. If the bureaucracy for the care homes was streamlined or overhauled, this would ensure that high-quality standards are upheld while enabling care home staff to prioritise time spent with residents, rather than paperwork and admin.

Conclusion from Angus MacDonald MP

The findings presented in this report underline the urgent need for change in the care sector in the Highlands.

We know what's wrong - now it's time to treat the symptoms and take action.



The care sector in the Highlands is standing at a precipice, facing issues that have been steadily mounting over the past decade.

Recent years have only deepened these challenges, especially in rural and remote areas. The financial pressures resulting from the Covid-19 pandemic, coupled with historic inflation and high interest rates, have left care providers struggling to remain viable.

Payroll costs are a major concern for care providers who are facing down the barrel of NICs increases and wage increases, resulting in spiralling payroll costs.

Equally troubling are the staffing issues that have come to the fore in this report. With a diminishing pool of younger working-age individuals, the Highlands are experiencing a severe staffing crisis. The lack of affordable local housing, low pay, and unsociable working hours deter potential applicants, who either work in hospitality jobs or leave the region altogether, resulting in further depopulation of the Highlands. We're watching a new Highland clearance - it's time to act.

The consequences of this crisis extend beyond care homes. Hospitals are increasingly burdened with delayed discharges, putting additional financial strain on an already fragile NHS.

Survey responses were clear that financial instability and workforce issues are an existential threat to their continued operation and viability. Many spoke personally of the daily struggles, frustrations, and dejection. But they also spoke of hope - they offered their thoughts on solutions, highlighted best practice, and showed their utter dedication to this work and their residents.

The data and firsthand accounts presented in this report make it clear: action is required. It is essential for policymakers, stakeholders, and the wider community to recognise the urgency of the situation.

I'm calling for an emergency summit so we can unify on the problem - and the solution.

Investing in new care homes with the facilities to support both residents and staff, through the provision of affordable housing, will be a step in the right direction. It is my hope that this plan would bring real and lasting change to the Highlands - with the positive impact reaching far beyond just the care sector.

I would like to take this opportunity to offer my grateful thanks to every care home who contributed to the report. My thanks also to fellow MPs: to my fellow Liberal Democrat Jamie Stone (MP for Caithness, Sutherland and Easter Ross), and also to Brendan O'Hara (Argyll, Bute and South Lochaber) and Graham Leadbitter (Moray West, Nairn and Strathspey) for allowing me to write to care homes within their constituencies, giving us the fullest picture of what's happening in the Highlands.

I reiterate my hope that this report, with its detailed data and the voices and views of those within the care sector, will speak to the urgency of the change that needs to happen. The care sector is on its knees - we need to act now, or we'll look back in the future and regret our inaction.

Liberal Democrat MP for Inverness, Skye and West Ross-shire

