

# SUBMISSION FROM THE COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

## **About CCPS**

CCPS is the Coalition of Care and Support Providers in Scotland. Our mission is to identify, represent, promote and safeguard the interests of third sector and not-for profit social care and support providers in Scotland, so that they can maximise the impact they have on meeting social need.

CCPS membership comprises over 70 of the most substantial care and support providers in Scotland's third sector, providing high quality support in the areas of community care for adults with disabilities and for older people, youth and criminal justice, addictions, homelessness, and children's services and family support.

The combined membership of CCPS supports approximately 200,000 people and their families in Scotland; manages a total annual income in excess of £1.3 billion (2012-13), a significant proportion of which relates to publicly funded service provision; employs approximately 44,000 staff and mobilises the support of over 7,000 volunteers in providing services; works in all 32 of Scotland's council areas, with many members also providing services elsewhere in the UK and internationally.

## **Introduction**

We are pleased to have the opportunity to provide some brief comments and links to more detailed information in response to the Committee's call for evidence. The social care workforce in Scotland is substantial. According to the latest statistics available from the Scottish Social Services Council, the social care and support workforce is 189,670. This is larger than the health workforce in Scotland. 85% of this workforce is women. 27% are in the voluntary sector.

CCPS has for the past three years received funding from the Scottish Government to support social services providers in the voluntary sector to fully contribute to the national workforce development agenda<sup>1</sup>. In that context we promote the skills, commitment and efforts of the voluntary sector workforce as well as identify and highlight the challenges resulting from austerity and the changing policy landscape.

We have provided a number of links to more detailed information and research reports at the end of this briefing and in the footnotes, with key themes highlighted in response to the four questions put by the Committee. Our workforce related work has focused on specific issues, including regulation, health and social care integration and self-directed support, pay and terms and conditions, and more generally on the link between procurement, the quality of jobs and the quality of care. Further comment on

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<sup>1</sup> <http://www.ccpscotland.org/hot-topics/workforce-development-network-2/>

this last point is provided in response to question 4 below. We have also encouraged our membership to take up the opportunity for informal visits from the Committee to the workplace to learn about good practice examples.

## Responses to the Committee's Questions

### Question 1

What makes a job 'good' or 'bad'?

Unsurprisingly, our work with care and support providers indicates that a 'good' job is characterised by the level of security: full-time permanent (or part-time, well paid); regular working hours; the availability of career development and training; decent pay and conditions; and the level of autonomy.

Conversely, a 'bad' job is characterised by a lack of security, a lack of opportunities for training and career progression, low pay and poor conditions, and little or no autonomy.

Very few social care jobs offer the former conditions. Specifically, the SSSC figures indicate as much as 10 % of the workforce have some form of contract that does not guarantee regular hours:

*Within Scottish social care workforce, estimates of the permanent (no guaranteed hours) workforce when combined with the other contract types that may be considered a zero hours contract (bank, sessional, casual/relief); they comprise roughly 10% of the contracts in the workforce (SSSC, 2014)<sup>2</sup>.*

Research has revealed a steady erosion of career opportunities within social care as organisations are compelled to reduce senior care workers (Support Workers or Senior Support Workers) and 'lean out' layers of line managers and supervisory posts intensifying the work of those remaining (Cunningham, 2008; Cunningham, 2011)<sup>3</sup>. Recent research has highlighted how compared to health, social care has a greater concentration in employment at lower occupations, and pays less at similar occupation levels (Resolution Foundation, 2015)<sup>4</sup>. There are also concerns that training is not sufficiently consistent, well enough supervised or focuses on day to day practices and client need (Cavendish Review, 2014)<sup>5</sup>.

In a recent benchmarking exercise, half the participating voluntary organisations indicated that they were unable to pay a living wage to frontline

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<sup>2</sup> <http://data.sssc.uk.com/images/WDR/WDR2013.pdf>; page 32

<sup>3</sup> Cunningham, I (2008) *Employment Relations in the Voluntary Sector*, Routledge, London; and Cunningham, I (2011) *Employment Conditions in the Scottish Social Care Voluntary Sector: Impact of Public Funding Constraints in the Context of Economic Recession*, Report for the Voluntary Sector Social Services Workforce Unit

<sup>4</sup> Resolution Foundation (2015) *As if we cared: The costs and benefits of a living wage for social care workers*, March, London

<sup>5</sup> Cavendish Review (2013) *An independent Review into Healthcare Assistants and Support Workers in the NHS and Social Care settings*, July, 2013

care staff:

*11 (50%) organisations reported that all their pay rates met or exceeded the Living Wage. Of the respondents that did not, eight reported that they did not have a target date to implement the Living Wage, although the majority of organisations 17 out of 21 stated the Living Wage did enter into their considerations for salary reviews (81%). Of those who do not meet the living wage, 2 organisations have implemented a target date, but did not specify a timescale.<sup>6</sup>*

## Question 2

Have jobs become better or worse since 2008?

There continue to be concerns regarding the future of job quality in social care, and in the voluntary sector specifically (Cunningham and James, 2014). There are concerns regarding the extent to which the standard employment relationship, i.e. full-time permanent, regular working hours, career development and training, and decent pay and conditions has survived after years of tough expenditure rounds even prior to the recession (Cunningham, 2011). Moreover, as austerity has taken hold in public expenditure, there are questions over whether what remains of the standard employment relationship is sustainable (Rubery and Urwin, 2011)<sup>7</sup>.

## Question 3

What effect might low quality/low pay jobs have on the economy?

Recruitment and retention difficulties are increasing in social care. As the economic recovery picks up, there is evidence of the sector experiencing recruitment difficulties in many areas of the country (Koehler, 2014)<sup>8</sup>. Care is seen as having to increasingly compete for labour with sectors that have experienced wage stagnation and are now moving to growth (Resolution Foundation, 2015). Recruitment problems and subsequent skill shortages will impact directly on quality as the sector struggles to recruit sufficient people with the right aptitudes and abilities to do the job. This will prove costly to the sector as recruitment costs for each individual worker have been estimated at £3,500 (Kingsmill, 2014)<sup>9</sup>.

The above recruitment problems also occur in parallel with issues with employee retention. Turnover rates are very high for care workers, running at around 22%, rising to 30% in domiciliary care (NMDS 2010). A series of

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<sup>6</sup> <http://www.ccpscotland.org/wp-content/uploads/2015/04/2014BenchmarkingReportforVoluntarySectorHR.pdf>

<sup>7</sup> Rubery, J and Urwin, P (2011) Bringing the employer back in: why social care needs a standard employment relationship, *Human Resource Management Journal*, 21(2): 122-37

<sup>8</sup> Koehler, I (2014) Key to Care: Report of the Burstow Commission on the future of the home care workforce, December, 2014

<sup>9</sup> Kingsmill, (2014) The Kingsmill Review: Taking Care: An independent report into working conditions in the Care Sector, London, September, 2014

studies reveals some connection between turnover and absence and poor pay and conditions (Devins, et al, 2014), in particular lower levels where the living wage was in place (Wills and Linneker, 2012). Rising turnover rates are also linked to falling pay and the worsening of other terms (Resolution Foundation, 2015).

In addition, recruitment and retention difficulties in social care impact on the economy as a whole as family carers are unable to sustain employment due to a lack of paid care workers.

#### Question 4

□ What can the Scottish Government and public policy makers do to improve job quality in Scotland.

Social care exists in a product market dominated by powerful client organisations [purchasers] – namely local authorities (Cunningham, 2008: Rubery et al, 2011)<sup>10</sup>. Care providers are strongly reliant on local authority (LA) fees as a source of revenue, which can make the negotiation of annual prices rises and subsequent pay increases difficult. The longstanding disconnect between annual raises in local authority fees (adjusted in line with inflation and average earnings growth) generates a major squeeze on providers' income (Cunningham, 2008).

As public funding for care has fallen during the downturn, and demand for services has risen, austerity has added to this squeeze (Cunningham, 2011), leading to increasing insecurity for providers and real pay cuts for voluntary sector workers. This is confirmed by the Low Pay Commission which has found that pay in social care has been squeezed more than other low paying sectors.

Indeed, it has been argued that that there is a 'need to develop a commissioning and contracting regime that allows for basic employment protections and the opportunity for employers to build on such basic protections to develop the strong psychological contracts that are deemed necessary to motivate employees who are already in privileged employment sectors' (Rubery and Irwin, 2011: 135). Indeed, such calls come at a time of new pressure and consensus to provide a better deal for the workforce through improving pay and conditions to not only eradicate non-compliance with minimum wage, but to move towards a 'Living Wage' (currently set at £7.85 in Scotland) (Resolution Foundation, 2015).

Overall, the cost of eradicating minimum wage non-compliance across the UK would amount to £143 million. The cost of introducing the living wage for all frontline care jobs in the UK would increase labour costs by £2.3bn in 2013-14, with public costs (those associated with public services procured by LAs ) at £1.4bn. In Scotland the estimated indicative cost would be £231m with gross public costs at £140m (Resolution Foundation, 2015).

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<sup>10</sup> Rubery, J, Grimshaw, Carroll, M (2011) The Recruitment and Retention of Care Workforce for Older People, University of Manchester Business School, Manchester, February, 2011

While the onus is on the employer to pay the living wage, the Scottish Government must recognise that there must be a reciprocal requirement on the contracting authority to pay an hourly rate sufficient for social care providers to do this.

The UKHCA (2015) estimates that an hourly rate compliant with the forthcoming National Living Wage is £16.50/hour.<sup>11</sup> Despite this, a recent homecare tender in a Scottish Local Authority had an hourly rate of £13.50, some distance short of the rate required for compliance.

The Scottish Procurement Directorate is currently developing a suite of guidance under the Procurement Reform (Scotland) Act 2014 relating to fair work practices, the living wage and social care procurement more generally. This gives the Scottish Government an opportunity to highlight the link between contractual hourly rates and staff pay in the sector.

More detailed information about the voluntary sector social care and support workforce can be found in the following reports commissioned by CCPS and partners:

*[2014 Benchmarking Report for Voluntary Sector HR Network and CCPS](#); Dr Ian Cunningham. University of Strathclyde*

*[Personalisation and its implications for work and employment in the voluntary sector](#), Dr Ian Cunningham*

*[Public Sector austerity, personalisation and the implications for the voluntary sector workforce \(2012\)](#), Dr Ian Cunningham*

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<sup>11</sup> <http://www.ukhca.co.uk/downloads.aspx?ID=434>