

## **National Assembly Wales Finance Committee: Inquiry into the cost of caring for an ageing population: UNISON response**

### **1. Introduction**

- 1.1 UNISON Cymru/Wales is Wales' largest public sector trade union. UNISON Cymru/Wales has 100,000 members working in public services across Wales. We welcome the opportunity to contribute to the inquiry into the cost of caring for an ageing population.
- 1.2 We represent full-time and part-time staff who provide public services, although they may be employed in the public, private and third sectors.
- 1.3 UNISON Cymru/Wales health care members are from all non-medical occupational groups including: nurses and health care assistants; midwives; health visitors; administrative, finance and HR staff; ambulance staff including paramedics, technicians, control room and maintenance staff, therapy and healthcare science staff; estates and housekeeping staff; technicians and maintenance staff; commissioning staff; allied health professionals; scientific staff; healthcare managers.
- 1.4 UNISON Cymru/Wales social care members include social workers and social care workers working across residential, non-residential and domiciliary care services. Our members undertake roles in early years and childcare; mental healthcare; care for older people; disabled people's care; caring for people with learning disabilities.

### **2 To examine patterns in demand for social care services for those of pension age and the related costs of delivery of residential and non-residential care**

- 2.1 We suffer the same demographic challenges as the rest of the UK. The Health Foundation<sup>1</sup> estimated pressures on social care in Wales will increase by 4.1% per year over the next 15 years due to an aging population, the nature of complex and chronic conditions, and rising costs. It is worth noting also that an individual's needs may not be restricted to being elderly only and they may experience other long-standing needs, such as learning difficulties.
- 2.2 A Hodge Foundation Research Paper<sup>2</sup> identifies that:
  - The proportion of elderly people in the population requiring care is projected to rise by 67% by 2035

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<sup>1</sup> The path to sustainability: funding projections for the NHS in Wales to 2019/20 and 2030/31: Toby Watt and Adam Roberts

<sup>2</sup> The Promise of social care, why Wales needs a community insurance fund and how to organise it: Gerald Holtham

- The proportion of elderly people requiring non-residential care is projected to rise by 67% by 2035
- Expenditure overall will need to rise by 75-80% to account for that
- If the recent deterioration is to be reversed spending would need to double
- Social care funding would need to rise by 4% in real terms each year for most of the next two decades

2.3 There is a very evident lack of funding available for domiciliary care and residential care. Without appropriate funding it will be impossible to meet future demand. More money must be made available to the sector.

2.4 Funding pressures have led to many social care services being outsourced from local authorities to the private and third sector. This has not increased the quality of care for all patients. Instead it has created an unregulated sector where there is little incentive for employers to invest in training, a high reliance on casual and zero hour contracts, and poor terms and conditions, including low pay.

2.5 In a UNISON survey of 1,000 staff across the UK in 2017, 9 in 10 care workers said a lack of staff was to blame for work pressures with more than a quarter not having the time to help elderly people eat and drink.

2.6 When care in Wales is fragmented and under-resourced in this way, it leads to additional and unnecessary strains on the NHS.

### **3. To examine the financial pressures on the social care system, such as increases in wages, automatic pension enrolment and staff recruitment and retention difficulties, including the related financial impacts of arising for the UK leaving the European Union**

3.1 Taking into account the terms of reference, we have concerns about the focus and direction of the inquiry. The intention to review financial pressures on social care seems to level the cause of an unsustainable system at the door of the workforce.

3.2 In our view, the costs associated with an increase in wages, automatic pension enrolment and staff recruitment and retention are a given. They should not be viewed as a financial pressure, but as a financial necessity.

3.3 Strong, efficient and effective social care services can only be delivered by proper investment in the workforce who deliver these essential services. In the long term, the cost of not investing in the workforce and not providing efficient services far outweighs any short-term financial gain.

3.4 Decent levels of pay and fair terms and conditions of employment are obviously key factors that influence recruitment and retention of staff in Wales. Workers delivering essential services need to be adequately rewarded for the important work they do. Furthermore, a stable workforce is inevitably better able to cope with fluctuating demands.

- 3.5 Social services and the third sector are not valued in the same way as the NHS. There is a clear need to address the disparity between the culture in the NHS and the culture in social care. In particular, ending the two-tier workforce and raising the generally inferior social care employment conditions should be a priority. In a social care setting it is often those responsible for providing direct care who experience the lowest pay, this clearly represents a problem with regards to recruitment and retention. These differences include:
- Differences in pay, terms and conditions and absence of 'levelling up' commitment;
  - Differences in statutory basis for some roles across health and local government;
  - Fears of losing professional identity with a generic role – this is a concern shared by residents and support staff;
  - Lack of clear career pathways;
  - Differences in standard assessment measures and thresholds for intervention;
  - Fears around fragmentation and potential closure or privatisation of services, primarily in local government;
  - Fears around continuity of funding and feelings of vulnerability outside the acute sector;
  - Environmental issues around lone working, IT equipment, administrative support; the requirement for mobility and location.
- 3.6 The marketisation of social care has failed. There are over 400 different homecare providers but an increase in choice has not led to an increase in quality. There is also a direct correlation between the decline in the quality of homecare delivered and the reduction of funding and erosion of terms and conditions. The workforce is viewed as a product that can be squeezed in order to make profit and meet overheads rather than valued and developed in order to meet the need of the service.
- 3.7 In Wales, 13 of the 22 local authorities have had domiciliary care contracts handed back. We note that guidance to local authorities includes a duty to consider the third sector, but this does not include a similar duty to consider the delivery by the public sector. It is our view that this does not provide a level playing field when assessing value for money and quality of service provision and will inevitably lead to a race to the bottom.
- 3.8 In fact, a series of prominent third sector providers in Wales have highlighted there is no slack built into the system and they simply do not have enough money to meet the terms of their care contracts and respond to changes to employment legislation, including increased wages and enrolment in pension schemes. The commissioning process undoubtedly adds financial pressure onto the social care sector.
- 3.9 Local authorities have refused to release additional funding on the basis that the care contracts have already been awarded. Two third sector companies in Wales reduced sick pay benefits as a direct result of the national living wage. It is a scandal that low paid workers are caught in the middle and their conditions attacked in this manner. In addition to sick pay, payment for shift enhancements and weekend

working is under threat. Gains made on the basic rate of pay are lost elsewhere.

- 3.10 In relation to recruitment and retention, career pathways should be introduced to allow progression and development within, and between, a health and social care employment setting. It is essential workforce planning builds in the use of long-standing and experienced members of the workforce, but there must be a concerted focus on bringing in and developing new people.
- 3.11 There are countless situations where homecare workers, who often have limited training and receive minimal pay, are expected to undertake involved levels of personal care which may be inappropriate to their role, but there is no benchmark mechanism to measure this effectively. There is a vast difference between this environment and the experiences of NHS employed care workers and this is reflected in the retention rate of the workforce.
- 3.12 Similarly, there is a lack of recognition that minimum standards and employment conditions are also required to deliver decent care in a residential care setting. Employment levels, conditions and training directly impact the quality of care. A more stable, well-equipped workforce is essential to deliver high quality, consistent care.
- 3.13 Any further moves to outsource social care, in any form, should be strongly opposed. Care services must be delivered directly by the local authority. The terms and conditions of social care workers employed directly by a local authority are more favourable than their counterparts in the third or private sector. It is also worth noting that where staff are employed directly by a local authority, staff turnover is far lower.
- 3.14 Whilst we understand the Welsh Government is attempting to address working conditions in the social care sector, it is worth pointing out that an FOI request from UNISON Cymru/Wales in August 2016 found that only 5 out of 22 councils in Wales make it a contractual condition that the homecare providers it commissions pay their staff for their travel time. This is despite the fact that non-payment of travel time is the main reason for endemic levels of non-compliance with the minimum wage in the care sector.
- 3.15 For many homecare workers in particular, there is a sense of stigma attached to their work. Clearly the work homecare workers undertake is extremely valuable, but it is not recognised in the employment standards they experience. How can we realistically expect people to take on such high levels of responsibility for such low employment standards?
- 3.16 Quality of care must always factor as a higher priority than financial savings. The workforce is at the heart of ensuring quality services and they must be appropriately rewarded for the essential work they undertake. Furthermore, it is imperative that the entire workforce is recognised for the value they provide, the safe and effective delivery of health and social care in Wales is very much a team effort and each members of the healthcare and social care workforce contributes to that team.

- 3.17 Poor pay causes recruitment and retention problems. When there is a high-turnover of staff or shortages, the delivery of a quality service will always be difficult. UNISON has long advocated for the implementation of the UNISON Ethical Care Charter<sup>3</sup> across the sector. Analysis of UNISON's Ethical Care Charter in councils where it has been adopted had demonstrated improvements for care workers, care users and care providers. In fact, the Welsh Government supports UNISON's Ethical Care Charter in principle but have been unable to impose it due to the costs around the minimum wage at the time. Since the minimum wage has now become the National Living Wage, the cost of implementation is now significantly lower than previously and introducing the UNISON's Ethical Care Charter would be a positive approach to providing quality care in Wales.
- 3.18 In Islington the council found that recruitment and retention levels improved amongst its homecare providers as a direct result of the implementation of the Ethical Care Charter. Prior to introducing the charter in 2014, turnover among staff averaged over 10 per cent. Now it is less than 3 per cent. Turnover rates in social care in Wales are notoriously high and any initiative which lessens them benefits care users through improving the continuity of care. It also saves homecare providers money as they do not have to recruit and train as many new staff.
- 3.19 Similarly, UNISON's Residential Care Charter<sup>4</sup> sets out solutions to raise the standards of care within a residential environment, paying consideration to protecting and supporting residents, training and support for employees, decent pay for quality work, time to care and, essentially, providing employees with access to a recognised trade union.
- 3.20 We welcome the Welsh Government's commitment to focus on care as one of the four pillars outlined in the Prosperity for All: economic action plan<sup>5</sup> but that commitment must be resourced.
- 3.21 There are a significant number of EU workers for outside of the UK who form an essential part of our social care workforce. Clearly this is a situation that needs to be monitored and strategies may be required to supplement the availability of social care workers in Wales. We are aware of situations where EU workers from outside of the UK have already returned to their country of citizenship in order to have better access to the jobs market in their home country.

#### **4 To assess the fiscal levers available to the Welsh Government to reform the arrangement for funding social care. This will include the consideration of alternative models, including international examples, for the funding of social care to ensure good quality, fair and sustainable services in a time of increasing demands on the health and social care systems**

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<sup>3</sup> UNISON's Ethical Care Charter: [www.unison.org.uk/content/uploads/2016/08/22014.pdf](http://www.unison.org.uk/content/uploads/2016/08/22014.pdf)

<sup>4</sup> UNISON's Residential Care Charter: [www.unison.org.uk/content/uploads/2017/03/24230.pdf](http://www.unison.org.uk/content/uploads/2017/03/24230.pdf)

<sup>5</sup> Welsh Government: Prosperity for All: economic action plan: [www.gov.wales/docs/det/publications/171213-economic-action-plan-en.pdf](http://www.gov.wales/docs/det/publications/171213-economic-action-plan-en.pdf)

- 4.1 UNISON does not support the delivery of social care services outside of the public sector. We do not believe public services mutuals, i.e. outsourcing to cooperatives, mutuals or social enterprises will create any better public engagement and will undermine worker's terms and conditions.
- 4.2 The very limited legal framework where co-ops, mutuals and social enterprises are allowed to solely bid for in-house services within due to European Union (EU) Procurement Regulations<sup>6</sup>, as amended in February 2014 last for three years only.
- 4.4 After the three-years are up, major private providers will be able to bid and take over services. This is delayed privatisation. It is highly likely the UK will retain these provisions once we exit the EU.
- 4.5 UNISON's experience of mutuals, co-ops and social enterprises which are "spun-out" of the public sector is that the first casualty is our member's terms and conditions. While, we are aware that the Welsh Government has reintroduced the Two-tier Workforce Code<sup>7</sup> to prevent this erosion, UNISON would question how a co-op, mutual or social enterprise can be financially viable while retaining existing terms and conditions.
- 4.6 UNISON Cymru/Wales is opposed to the 'spinning-out' of the public sector to co-operatives, mutuals and social enterprises for the following reasons:
- They can only be given a three-year contract. After the three years, open market competition applies
  - Once the service is transferred out of the local authority or other public body, it becomes a private company. It will have to compete as a private company. The council or public body has lost control
  - Little evidence exists that mutuals have delivered desired outcomes or true democratic control by staff and stakeholders
  - We see the best provider of public services as the local authority, NHS and other state agencies
  - Public service mutuals are feeding the UK Government's agenda of deceiving the public into thinking this form of 'spinning out' is not privatisation, when it is outsourcing to a new private company which could end up with no contract after three years.

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<sup>6</sup> Crown Commercial Services: A brief guide to the 2014 EU public procurement directives: Oct 2016: [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/560261/Brief\\_Guide\\_to\\_the\\_2014\\_Directives\\_Oct\\_16.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/560261/Brief_Guide_to_the_2014_Directives_Oct_16.pdf)

<sup>7</sup> Welsh Government: Revised Code of Workforce Practice: June 2014: <http://gov.wales/docs/dpsp/publications/140624-procurement-advice-note-v1-en.pdf>