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AUSTERITY AND THE LIVING WAGE: THE CASE OF CARE WORKERS IN ENGLAND



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Aim

This presentation presents findings examining care workers' roles, their views on pay and the living wage and employers and unions' views of pay.

Resolving Low Pay- An Institutional Barrier

- Grimshaw et al (2015) highlight the pay gap remains between organising and recruiting large sections of care workers who are increasing in demand and remain in the sections of low paid workers in the economy.
- Budig and Misra (2010) argue Care Work incurs a `work penalty` as the workforce is predominantly female and `low skill`.
- Two solutions to low union presence is the development of living wage campaigns from community organisers (Lopes and Hall, 2015) or direct union campaigning (without community support) Prowse and Fells(2016)
- Murphy and Turner (2015) highlight the potential of recruitment campaigns in Ireland to secure improved care workers' rights and to recruit in private care homes.

The Social Care Sector

- The Care Act (2014) required local government to predominately commission rather than provide care.
- Care services are delivered by a range of private companies and providers, whose workforce are mainly support/care workers paid on the national minimum wage (Grant Thornton, 2014).
- The number of adult social care jobs has increased by 18% since 2009 (by 240,000 jobs) and if the adult social care workforce grows proportionally to the projected number of people aged 65 and over in the population then the number of adult social care jobs will increase by a further 18% by 2025, to 1.83 million jobs (Davison and Polzin, 2016).
- Between 1985 - 2014 the number of people aged 85 and above more than doubled rising from 700,000 to 1.5 million and between 2015 and 2020 the number of people aged over 65 will grow by 12% (1.1 million) (Keynote, 2015) .

The Care Home Sector-A Critical Sector for Lower Pay

- Estimated NLW this will add £300 million to local authority costs in 2016/17, rising to £800 million by 2020 (Local Government Association et al 2015).
- Increase in total payroll costs of frontline staff is much higher – £2.3 billion by 2020, on top of £1.7 billion of costs already implied by above-inflation increases in the National Minimum Wage (Gardiner 2015).
- Increase in the national minimum wage to £7-65 per hour will affect 275,000 support workers (Resolution Foundation, 2013).
- Whilst, the United Kingdom Health Care Association calculated the national minimum wage pay increases will require additional funding from Local Authorities of between £753 million to £1 billion (HM Treasury, 2015; UKHCA, 2015).
- The LPC recommended pay increases for the national minimum wage, and specifically identified that care home employers pay just above the minima rates they set (Low Pay Commission, 2015; Resolution Foundation, 2014).
- Analysis of national rates found the majority of care workers were more likely to be *paid at or below the national minimum wage with an increasing trend towards zero-hours contracts* (Bessa et al, 2013).

Methodology

- Focus group comprised of local authority representatives (n=1), independent care home owners (n=4) and GMB employee representatives (n=8) examining care home issues.
- In-depth interviews with the Director of a small care home (Nexus) and Director of a large national chain of care homes (Plexus).
- Gained access to care staff via the GMB (on a recruiting drive).
- Introduced ourselves and recruited volunteers.
- Telephone interviews with care workers, nurses and cleaner (n= 10). The areas explored: Care assistants' roles, pay and conditions, understanding of the living wage and opportunities for more pay, satisfaction and dissatisfaction with the role.

Key Issues from Focus Group

- Significant Local Government reduction in funding for care.
- Inequality of pay, pay freezes for care staff and concern about the increase bonuses for managerial staff (could be up to 20% of their additional pay), despite care workers receiving only basic pay increases as set by the LPC.
- Shortage of nurses and paying significant agency fees.
- Overall labour turnover is low.
- Shortfall in local authority funding is being met by private residents paying higher fees.
- Employers stated that care workers are seen as a key assets, but cannot increase pay above LPC rates.

In-depth interviews with Directors of Care Homes

Care Home Case 1: PLEXUS One of the largest providers of care homes in the UK, employing 35,000 staff and with over 500 care homes nationally.

"If costs are too high as in some regions we sell them. We bought PLEXUS from a Bank in a debt-fuelled £825m takeover. Most of the cash was borrowed using two loans sold on to investors — one worth £350m and the other £175m [MD PLEXUS]".

Home Case 2- NEXUS is a family based care home with 70 beds, located in one region).

"I think we are setting up our business so that when we make our profit eventually then we want to leverage our expertise and existing HR [payroll] base and hopefully replicate this practice somewhere else so we are like breeding new talent and we are developing people that is the idea" .

Care home respondents (n=10)

- All females working across the care sector in one Region .
- Ethnicity: White (n=8), African Caribbean (n=1) and Asian (n=1)
- Ages varied from 20-64 years (45-60 main age categories n=8)
- Full time (n=3) and Part-time status (n=7)
- Worked in care sector between 1 year (n=1); 1-5 years (n=2); 6-10 years(n=2); 11-20 years (4), 25 years (n=1).
- Hourly wages varied but 8 paid between £7.21 to £7.50 (Real living wage £8.20) and one 20 year old paid £6.70.
- Night shift work and weekends paid hourly rate with no additional enhancement.
- Retention rates high with 40% working in same organisation for over 10 years.
- Job titles varied from duty manager/nurse (N=1), night shift worker (N=2), care assistant (N=3), activities co-ordinator (N=1), cleaner (N=1) and community care workers (N=2).
- 9 respondents had caring roles outside of work for children, parents and grandparents.

Conditions : Pay, Sick pay, Holidays, Pensions and Training

- Same rate of pay for bank holidays , nights and weekends.
- Sick pay cover for all respondents.
- Holidays are pro rata.
- Belonging to a pension scheme was variable.
- Working extra hours - don't always get paid or the time back.
- Statutory training provided and some other related specifically to role, but don't get paid any more if they undertake training.

Key issues for all care workers

- Fatigue with the demanding hours
- Insecurity – being taken over by care companies or private owners.
- Shift work and long hours are predominant.
- Much more than a job -You've got to want to do it.
- Many of the care managers supportive of care workers.
- Nature of the residents is changing and they are more dependent.
- Physical and emotional work.
- Stressful.
- Increased documentation and paperwork.
- Lack of time.

Theme 1 : The nature of the job

- I think 90% of my job is not in my job description.
- Basically, it's just the overall running of the home really and then making sure that everything is obviously within policy, you know, it's being followed.
- Everybody is our responsibility ...we're there for everybody.
- My main role is the safety of the residents, I walk around the building constantly, making sure they are looked after, but also as part of my role is to make sure the security of the building.
- I'm a night care assistant. I work from 9:15pm until 7:15am sort of sorting the health and welfare needs of the residents overnight, completing documentation to do with the shift, a little bit of housework, and then assisting people in the morning to wash, dress and get up.
- Just the general upkeep of the whole of the building, we keep a good ship there.

Theme 1 : The nature of the job (cont.)

- It's difficult because in 12 hours a day they are like your second family. You spend half of your life with them.
- Sometimes, I go any time of the day, I'll do reviews, I'll do risk assessments, I'll update the staff rota, I'll do the rotas for the service users, you know, like the tasks and the care packages that they have, making sure that it's all right and all correct.
- I don't know. I think it's kind of like the woman's instinct really. We do kind of like settle with this kind of work, this kind of job. Men, I think they go for like more masculine jobs ;like a factory worker.
- They expect everything out there but don't give you nothing in return and then they always cut...the job that you do is a job that you can either do it or you can't. And because you care about the residents, they're using it as an excuse to me as blackmail, I think.

Theme 1 : The nature of the job (cont.)

- I think people just look at us and think, “Oh, you know.” Sometimes I think you think they’re the lowest of the low that you sometimes I think you find yourself, “I’m just a carer.” I don’t think that people really understand what it entails, I don’t think anybody does. I think for some people they think that caring means you go and sit with little old ladies and do their knitting, and chat about the Second World War and but that’s not the nitty-gritty.
- I don’t have to go into somebody’s room and feel that I can only stay with them for a few minutes just to talk to them, somebody who wants just to talk to me to say something to me. I’m always feeling I’ve got to dash off to do the next job that needs doing because there’s not somebody else able to do it.
- I think that the care industry continues to get a bad press. There’s constantly programmes that are putting the care industry in a bad light and I think that doesn’t help matters either.

Theme 1 : The nature of the job (cont.)

- One of the care staffs roughly arguing a point, the manager turns around and says to him, “If you don’t like it, leave.” But they’ve got to realise this, care staff in our building have been there years, we do not have a big turnover of staff. We will not have agency because they don’t know our residents and it will affect the routine. Because people with dementia they’re very fragile, so for people to turn around and say, “Well, leave,” and you’re only arguing your point for the resident’s wellbeing is wrong. They won’t listen to you. You’ve got nursing staff that don’t listen to you, but they don’t actually know the residents because they don’t work with them, they just do paperwork, they don’t understand.

THEME 2: RESPONDENTS' VIEWS ABOUT PAY

Theme 2: Respondents' views about pay

- I think my main thing is pay. On the grounds that ...I'm fully aware that we've lost a lot of staff because of pay.
- Whoever thinks people can live on £7.21 an hour obviously don't live in the real world, I don't think.
- My pay is completely changed. And I don't know if it helps, I actually earn the same amount now than I did 10 years ago.
- We've had a pay freeze for five years.
- I've worked with some bosses who have paid a bonus for if you come in, fulfil all your shifts. But that doesn't work because there'll always be the people who will come in no matter what and then there'll always be people who don't. If I'm going to be offered you know £40 because I come in and fulfil all my shifts, then I'll happily do that. But I do that anyway whether there was a bonus there or not. So, that scheme doesn't work. I think you just need to have better pay across the board, I really do for everyone

Theme 2: Respondents' views about pay (cont.)

- I know a couple that work. One works in the kitchen and one is in care and they're hand-to-mouth every week. They just, they're not making ends meet at all.
- You know, it is for the love of the job. But I think it would make people a little bit happier if they pay them a more decent wage, yeah, definitely.
- I'm really in a catch-22 situation. Even though I don't do very good financially, I'm always skint. I can't work more hours because I'm only able to earn a certain amount while I am my nan's carer.
- Because I'm only 20, I get a lot less money, I'll say a lot less money. My mum works for the same company, she's a cleaner but she gets £7.21 and I'm a care assistant and I get, I think it's either £6.70 or something like that. Yeah. But what I don't understand, obviously, it's because of different ages, but I live on my own as well, I also pay as well, so just because of different ages, like we have the same bills to pay – like me and my mum, you know – same bills, but just because we're different ages, I get less money.

Theme 2: Respondents' views about pay (comparability)

- You know, you do a lot of work for very poor pay really. And I just think that people get...I think they get fed up, morale becomes low and they just go on to better things which are less stressful and you receive an equivalent amount of pay.
- No, I don't think the pay is enough. I think you need far more pay to encourage a wider spectrum of people into the care industry. I think it's very bad that young people don't get an equal pay. I think it should be equal pay across the board for whatever age you are.
- Well blokes on motorways get paid £14 for digging holes. But when you think what people have to put up with [in care homes] on a daily basis I mean, the people who decide what they should we get paid should go and do it for 24 hours, watching them or doing the graft or just watching them do it and then decide how much they should get paid.
- If you actually get the £7.20 already I think it should be a lot more. Like without sounding rude, the cleaners they do four shifts a week, but they're only four hours shifts and they get the same amount of money and it's a lot less work than we have to do and it's a lot easier work. Like, you know, ours is hard work going in and trying to treat these residents as humane as possible when they can't do anything for themselves, they can't eat properly, they can't talk, they can't move and you're having to do everything as well as like the hygiene, the personal areas, you know. It's physical work and it's emotional work. And then I don't think that it's right the cleaners get the same amount of money as them.

THEME 3: RESPONDENTS' UNDERSTANDING OF THE LIVING WAGE

Theme 3: Respondents' understanding of the Living Wage

- I don't really understand that one.
- I've looked it up (the living wage).
- I have heard of it ,well it's like £7.21 and the rest, and that's what people need to earn an hour to live on.
- Yes I am aware that the living wage is lower than the minimum wage. And the fact that, you know, when they're trying to get everybody up to the living wage so that we all have better wages.
- The Living Wage is, it's a lovely idea and I would love to think that it would work but I don't know that it will, not at what it is. I really don't.
- I mean, when the wage goes up I'm going to get 5p more.

Theme 3: Respondents' understanding of the Living Wage (Cont.)

- Well, I'll tell you. When this new fellow took over, the first thing he did was give us a rise. So, a lot of us we said, "Well, he's only giving us a rise because he's got to give a rise. And he's done that and the younger people perhaps don't realise they think, "Oh, it's wonderful. He's giving us a rise," so immediately you're really pleased. But the older ones of us who know he's just doing it because in a few months' time he's got to do it.

THEME 4: SATISFACTION AND DISSATISFACTION

Theme 4 : Satisfaction

- I think I like being within care homes and caring for people, you know, I enjoy that.
- I want to do more caring. I want to see more people in the care industry so I've got more time. And I think that's my biggest frustration that I haven't got enough time to do the things I want to do for the people that I'm working with.
- For me personally working nights and because I only do a few nights, the work life balance is very good. But in other people I see it as a problem for the people who work full time. They're very tired and I do believe it affects their life outside of work.
- I love caring and I do enjoy it, but I find it more and more frustrating. The biggest problem for me is not having enough staff because that.... If I have more staff, I have more time to do the care that I want to do and that's the biggest thing.

Theme 4 : Dissatisfaction

- I think as the years go by you get frustrated with the whole care industry. You want to see improvement, there are no improvements. And I think over the years the job has become harder, there's more documentation for people to fill in and sometimes I feel I do more documentation than caring .
- If I have more staff, you would have better conditions. Because I know from myself because I'm in-charge of the other three staff, I would be allowed then to be able to have more breaks. I would be able to let them take their time on their job, so they would hopefully feel better with their jobs which will then make me have more time to do my job properly.
- I think a little bit more recognition from people that it's actually a hard job and it's a job that we all are going to need somebody to look after us at some stage.
- One owner once said to me that care staff are ten a penny, and that's an awful comment for me.

Conclusion

- Austerity remains a major issue influencing the care sector.
- There is a degree of consensus from care home employers, local authority funders and Directors about pay and the living wage, less agreement about how it will be funded.
- Overwhelming care workers enjoy their job, but identified there are key challenges.
- Care workers identified pay as an issue but stressed that more staff and more time to do the job are equally as important.
- There is a lack of clarity about the living wage and what it is.
- Care workers compared their work to other occupations and believed their work was undervalued and underpaid and often they were 'just getting by'.
- Longer working hours and a lack of staff were significant factors in care workers' roles.
- Training does not increase pay levels and additional hours were not always paid.
- Job satisfaction can be enhanced by increasing staffing levels and recognition that pay rises will be a factor to attract and retain care workers.

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