

The Living wage and the Social care sector - the case of social care homes

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Published version

PROWSE, Julie, PROWSE, Peter and SNOOK, Jereme (2017). The Living wage and the Social care sector - the case of social care homes. In: International Labour Process Conference 2017, Sheffield, UK, 4-5 Apr 2017. (Unpublished)

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CHARTING THE RISE OF IN-WORK POVERTY: THE CASE OF CARE WORKERS IN YORKSHIRE



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Aim

To present findings examining care workers' roles, their views on pay and the National Living Wage: implications for wage poverty.

Care Home Sector-A Critical Sector for Lower Pay and Wage Poverty

- Economic value of social care in England is worth over £20 billion (higher than Electricity/Gas (£16b) and food and drink sector (£19b) (Davidson and Polzin, 2016)
- Social care identified as a low-wage industry annually, since 1998, by the Low Pay Commission (LPC) (*Low Pay Commission Report 2017*).
- The LPC specifically identified that care workers employers' pay just above the minima rates the LPC set (Low Pay Commission, 2015; Resolution Foundation, 2014).
- It is estimated NLW will add £360 million to local authority costs in 2017/18, rising to £1 Billion by 2020 (Local Government Association et al 2015;Johnston, 2017).
- Increase in the total payroll for social care staff is much higher than other sectors; £2.3 billion by 2020, in addition to £1.7 billion costs due to above-inflation increases in the National Minimum Wage (Gardiner 2015).
- United Kingdom Health Care Association calculate that national minimum wage pay increases will require additional funding from Local Authorities of between £753 million to £1 billion (HM Treasury, 2015; UKHCA, 2015).
- Increases in the national minimum wage to £7.83 per hour will affect 450,000 support workers (Skills For Care, 2017).
- Analysis of national rates found the majority of care workers more likely to be paid at or below the national minimum wage with an increasing trend towards zero-hours contracts (Bessa et al, 2013).

National Minimum Wage vs Real Living Wage

Table 1: Time periods used in this report Time period	Referred to as	National Minimum Wage / National Living Wage	Real Living Wage - UK/London (announced each November)
Oct 11 to Sep 12	2011 NMW	£6.08 (NMW)	£7.20 / £8.30
Oct 12 to Sep 13	2012 NMW	£6.19	£7.45 / £8.55
Oct 13 to Sep 14	2013 NMW	£6.31	£7.65 / £8.80
Oct 14 to Sep 15	2014 NMW	£6.50	£7.85 / £9.15
Oct 15 to Mar 16	2015 NMW	£6.70	£8.25 / £9.40
Apr 16 to Mar 17	2016 NLW	£7.20 (NLW introduced)	£8.45 / £9.75
Apr 17 to Mar 18*	2017 NLW	£7.50	£8.75 / £10.20
Apr 18 to Mar 19	2018 NLW	£7.83	Announced Nov 2018

Methodology

1. Gained access to care workers via the GMB and recruited volunteers to interview.
2. 45 minute telephone interviews with care workers, nurses and cleaners (n= 29). The areas explored: Care assistants' roles, pay and conditions, understanding of the living wage and opportunities for more pay, satisfaction and dissatisfaction with their role [January-July 2017].
3. Thematic Analysis used for coding .

Biographical data (n=29)

- Respondents from 15 different care homes in Yorkshire.
- **Ethnicity:** predominantly white (n=27), African Caribbean (n=1) and Asian (n=1)
- **Ages** varied from **18-71 years with an average of 45 years** (under 20 (n=2), 25-40 (n=5), 41-50 (n=12), 51-65 (n=9) and over 70+ (n=1).
- **Employment** varied from full time (n=17) and Part-time status (n=11) and zero-hours (n=1) and worked in no other additional jobs apart from their care home post. [Average hours was 33.3 hours]
- **Job titles varied** from duty manager/nurse (N=2), night shift worker (N=3), Night care assistants (n=5) care assistant (N=16), activities co-ordinator (N=1), cleaner (N=1), and kitchen assistant (N=1).
- Approximately 90 per cent of respondents had caring roles outside of work for children, parents and grandparents

How much is your Contractual Hourly Pay?

[**NMW (At time of Interviews) £7.50 (£7.83)** £5.60 for ages 18-20 and Real LW £8.20]

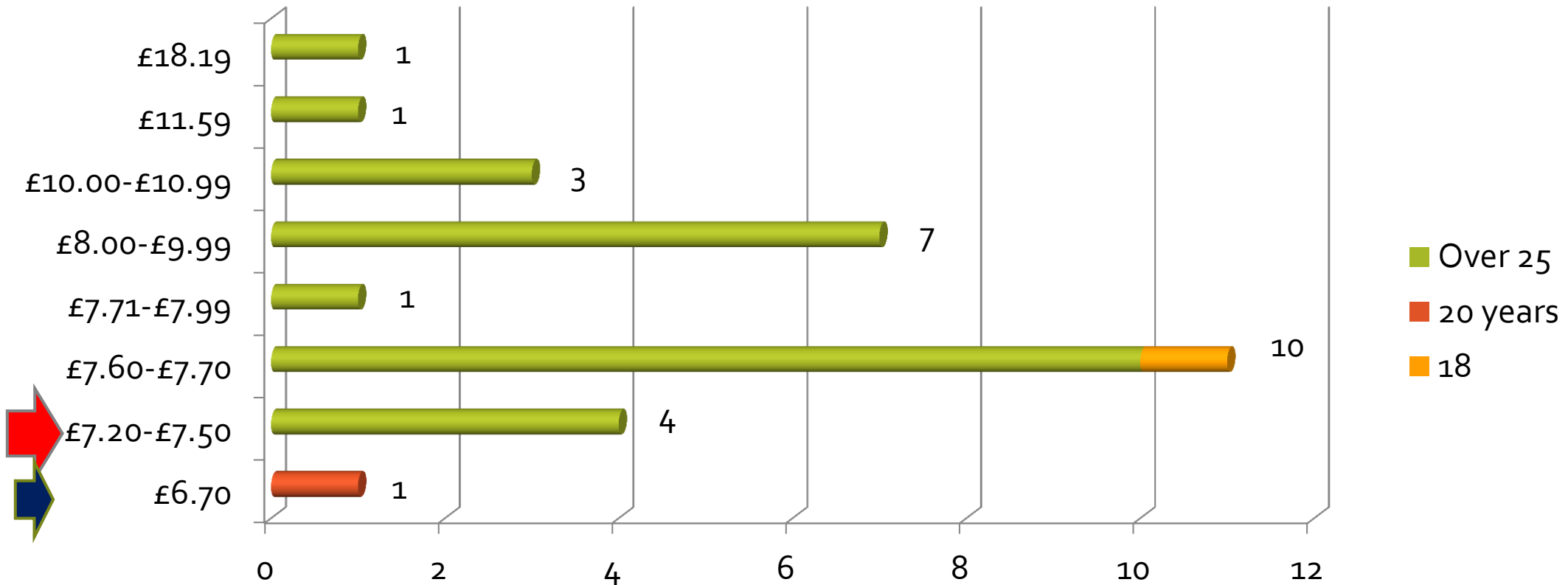


TABLE 2-Contracted Hours

How Long Have You Worked in Your Care Home?

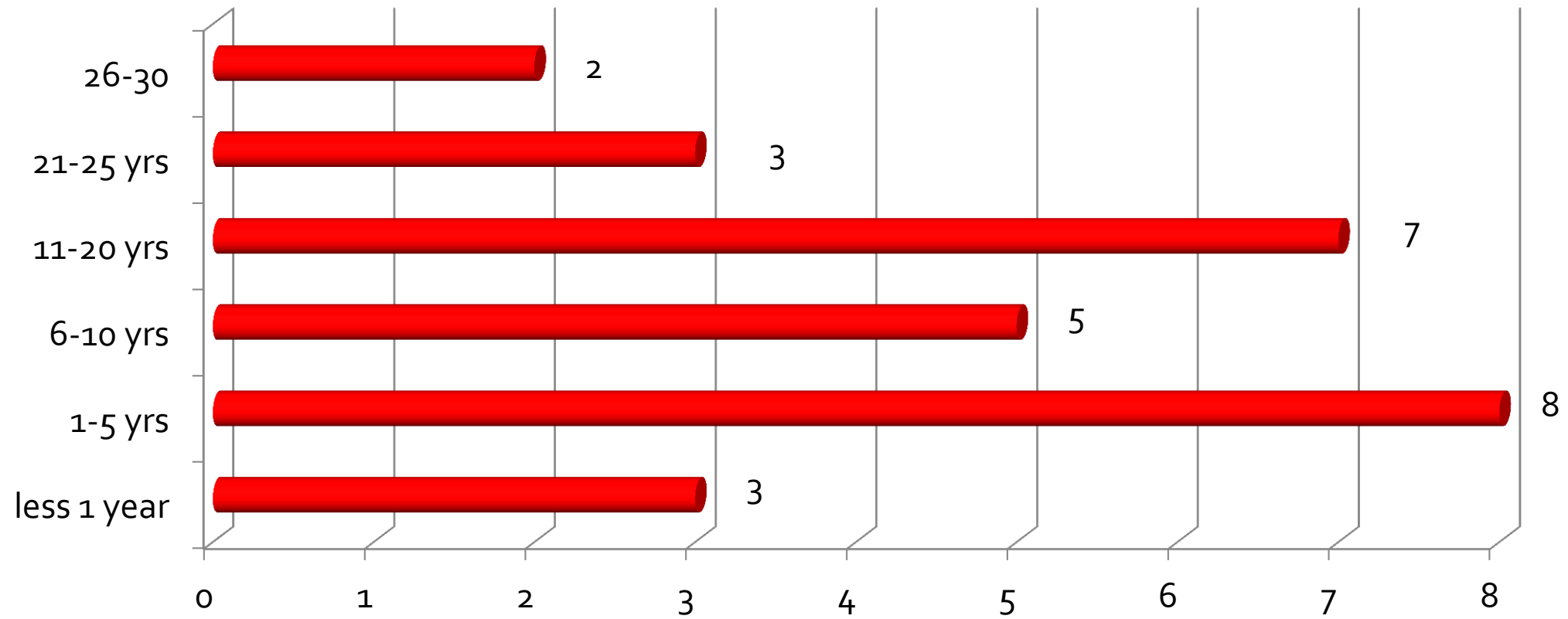


TABLE3-Duration of Employment in Current Care Home

Overall evidence: Pay, Sick Pay, Holidays, Pensions and Training

- The opportunities to improve pay were low.
- 17 respondents who transferred from local authority or private care homes under TUPE arrangements had their conditions reduced. TUPE pay and conditions were initially protected but revised: hourly rates of pay stayed the same but, enhanced additional pay for bank holidays, nights and weekends were changed to basic rates.
- New care workers' recruited in the past two years were not entitled to any company sick pay schemes and only qualified for statutory sick pay (SSP) for illness.
- New care workers paid at basic rates, irrespective of qualifications or experience.
- Holidays are pro rata and paid at the statutory minimum.
- Interviewees aged over 18 years in a pension scheme, but were transferred into another scheme with reduced employer contributions.
- Paid statutory training was provided, but payments were restricted to a single hour despite the training lasting longer and online training often undertaken at home.

Four Themes identified:

1. The nature of the job
2. Respondents' views about pay
3. Respondents' understanding of the living wage rate
4. Satisfaction and dissatisfaction for the role of caring

THEME 1: THE NATURE OF THE JOB

Theme 1: The nature of the job

- Fatigue with the demanding hours, shift work and long hours.
 - Insecurity due to being taken over by care companies or private owners.
 - Much more than a job -You've got to want to do it.
 - Nature of the residents is changing and they are more dependent.
 - Physical and emotional work.
 - Stressful and lack of time.
 - Increased documentation and paperwork.
- *It's difficult because in 12 hours a day they are like your second family. You spend half of your life with them [Night Worker, Respondent 24].*
 - *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 [staff] because they don't know our residents and it will affect their routine [Respondent 4].*

THEME 2: RESPONDENTS' VIEWS ABOUT PAY

Theme 2: Respondents' views about pay

- Care working is traditionally low paid work
- Lack of guaranteed hours
- Low pay, especially for young workers under 25
- New employees paid the lowest hourly rate, despite experience/ qualifications.
- Real reduction in conditions e.g. Part-time and full-time workers were paid **less** per hour for any additional time they worked beyond their contract.
- Pay reductions following the transfer of care homes from local authorities and loss of protected pay.
 - *My pay is completely changed. I actually earn the same amount now that I did 10 years ago [Care worker, Respondent 18].*
 - *"We've had a pay freeze for five years". [Care Support Worker, Respondent, 27].*
 - *"I know a couple that work [in the care home]. One works in the kitchen and the other is a carer and they're hand-to-mouth every week. They are just.. they're not making ends meet at all" [Night Care Assistant, Respondent 24].*
 - *"I mean, when the wage goes up I'm going to get 5p more [per hour] [Night Care Assistant, Respondent 22].*

Theme 2-Low Pay and Age

- One further issue identified pay inequality for younger worker. A Care Assistant earning £6.70 per hour stated:
 - *Because I'm only 20, I get a lot less money, but what I don't understand, obviously, it's because of different ages, but I live on my own as well, I also pay bills as well, so just because of different ages, like we have the same bills to pay – like me and my [relative], you know – same bills, but just because we're different ages, I get less money [Care Assistant, Respondent 26-Interview 2016]. [NMW rate 2016 was £7.20 per hour for over 25 and 21-24 year rates £6.70]*

Theme 2: Respondents' views about low pay (comparability)

- Comparisons made with other jobs
- Low pay across the care sector, compared to others
- Work underpaid and undervalued by society
 - *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 [Night worker, Respondent 22].*
 - *If you actually get the £7.20 already I think it should be a lot more. 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. 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 [Care Assistant, Respondent 26].*

THEME 3: RESPONDENTS' UNDERSTANDING OF THE LIVING WAGE

Theme 3: Respondents' Understanding of the National Living Wage Rate

- Respondents do not know what the National Living Wage Rates are
- Only five respondents could name the correct rate of the National Living Wage
- 24 respondents trusted their employer to inform them of pay and any increases in the National Living Wage.
 - *I've 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 [Night Care Assistant, Respondent 23].*
 - *Yes I am aware that the 'real' living wage is lower than the minimum wage. And the fact that, you know, when they're trying to get everybody up to the 'real' living wage so that we all have better wages [Care worker , Respondent 22].*

THEME 4: SATISFACTION AND DISSATISFACTION

Theme 4 : Job Satisfaction For The Role of Caring

- Care workers enjoy their job and have high work satisfaction.
- Respondents thought the most important factor in their job was to improve their client's care and rated it more important than a pay rise.
 - *You know, it is for the love of the job. But I think it would make people a little bit happier is if they pay them a more decent wage [above the living wage], yeah, definitely [Nurse, Manager, Respondent 21].*

Theme 4 : Dissatisfaction with reducing conditions

- Dissatisfaction with pay and conditions
- Frustrated not able to do more for clients due to low staffing levels and cost constraints.
- Receiving lower pay.
- Lack of recognition for the job.
- Lower hourly rates of pay for workers who commenced employment in care homes in the last 18 months
- All workers stated they could not afford to accept reductions in their pay.
 - *Well I am going to lose approximately £3,500 a year plus 5 days reduced holidays" [Night Team Manager, Respondent 4]*
 - *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 [Care worker, Respondent 24].*
 - *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 [Care worker, Respondent 11].*

Implications for Wage Poverty:

1. Potential paradox, respondents identified pay as an issue but stress that staff and additional time to do the job are equally important. Are respondents' inadvertently contributing to their own wage poverty?
2. Wage poverty persists as care workers compared their work to other occupations and believe their work is less valued and underpaid.
3. Respondents unclear about the national living wage and level at which it is set; illustrates reliance on employers and low levels of union membership.
4. Part-time workers would prefer to work full time to boost their income, but not an option.
5. Insufficient staff and staff shortages generated significant work pressures for care staff; work exploitation and work intensification.
6. No real opportunity for higher pay if respondents moved care homes and little opportunity for enhanced career development.
7. Young workers aged under 25 years of age were paid lower hourly rates, despite their equivalent NVO qualifications and experience.
8. Wage poverty is a major issue in social care and unlikely to change.

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