

Low pay in care work – the importance of hours

Sian Moore, Centre for employment Studies Research

South West TUC Annual Conference 2013



University of the
West of England

bettertogether

Research for the Low Pay Commission

- Based upon 265,683 records for adult domiciliary care workers contained in the National Minimum Data Set for Social Care (NMDS-SC) for England between 2008 and 2012;
- Five case studies of local authorities highlighting the arrangements for the commissioning of domiciliary care.

Commissioning

- Move away from guaranteed volume block contracts with discounted prices (cost and volume), to spot or framework agreements;
- Single charge rate for all categories of care and client groups on a 24 hour, seven days per week basis with payment for contact time only;
- Onus on the provider to pay any enhancements for weekend and evening rates and for **travel time** - but disincentive.

Commissioning

Service specifications necessarily focus upon the quality of care and rights for service users. They outline the expectations of workers with regard to the provision of the service, but are generally silent about the treatment that workers might expect. None of the local authorities in the case studies specified payment of the NMW in their contracts or systematically monitored compliance;

The workforce

- Majority of domiciliary care workers (84%) were female;
- 20 per cent born outside the UK;
- Nearly three quarters (72%) worked for private providers;
- Over one in ten (13%) employed directly by public providers (13% not-for-profit sector).

NMW

- Median pay for *all* domiciliary care workers (including managers and senior care workers) around 15% above the NMW – a benchmark;
- October 2008 - April 2012, 3.4% paid at or below the NMW, with 1.1% paid below;
- Care workers *only*, 3.4% at or below with 1.0% below;
- Eight out of ten of those at or below the NMW are care workers, a much higher proportion than for senior care workers;

NMW

- The proportion of the domiciliary care workforce at or below the NMW was statistically significantly higher in October 2011-April 2012 than in both previous periods (October 2010 - March 2011 and April 2011 to October 2011);
- *All* care workers, 2.5% below and 6.1% at or below;
- Care workers *only*, 1.9% below and 5.6% at or below.

Privatisation

- Care workers employed by public providers are generally paid at a higher hourly rate than those employed by private providers after controlling for a range of other factors.
- Those working for public sector and non-for-profit providers generally have higher weekly pay compared to their private sector counterparts;
- Gap decreased in 2011.

NMW

- We find that lower numbers of workers are paid at or below the NMW; however, these results are not directly comparable with those of Hussein (2010a, 2010b) (but focus on domiciliary care);
- BUT no assumption about the inclusion (or not) of payment for travel time in hourly rates;
- Analysis looks at weekly earnings, which reflect not just hourly rates, but also hours worked – dependence on zero-hours contracts.

Travel time

‘We don’t specify anything other than they’ve got to pay the workers and they need a contract and that sort of thing, but there’s nothing that says you will pay them ‘x’ and that will probably be the case unless we go down a different radical route. So nothing like that, but the hourly rate, it is the hourly rate based on contact time as we call it - but if you put the travel time in and the rest of it, the hourly rate plummets’.

[Council Manager]

NMW

'I think everybody, including myself who works here, thinks that care workers are underpaid, without a shadow of a doubt we think they're underpaid ...and I think there's a clear correlation between the rates of pay and the quality of service. There's absolutely a correlation and personally speaking I think we contribute because there is a clear drive at the moment because of all the circumstances for councils to drive costs down, drive quality up ... But there is absolutely a correlation for me between what we pay and what we get.'

[Contracts manager for local authority]

Pay

‘I cannot offer a decent wage for the level of responsibility my staff undertake given the complex clients that they now care for. I have always wanted to provide staff with contracted hours and a wage reflecting their skills, qualifications and training so as to provide a high quality service to the clients, but this is becoming more difficult. This is not what I signed up for when I started my company 12 years ago and my values won't allow me to provide a poor service, but my values are being eroded. It is all down to money and how much local government and the Government as a whole can cut costs which then reflects back on providers and their staff and clients, instead of looking at how domiciliary care is now a professional service in its own right’. *[Provider]*

Workforce composition

- Ratio of senior care workers to care workers declining markedly from seven per cent of the workforce (excluding managers) in 2008, to four per cent in 2012;
- Convergence in pay rates and increases below NMW.

Zero hours

- In 2011-12 overall over half (56%) of domiciliary care workers were employed on zero-hours contracts;
- Eight out of ten workers employed by private providers were on zero-hours contracts;
- Zero-hours contracts in some time periods, significantly associated with being paid less than the NMW (not most recent time period).

Contractual v actual working hours

- Median weekly hours for those on zero-hours contracts was 24 compared to 30 for those not on zero-hours contracts, yet median weekly contractual hours overall were 20 – whilst the divergence is sharpest for those on zero-hours contracts it affects all workers;
- Sick and holiday pay.

The importance of hours

- Hourly rates are not significantly different for those on zero-hours, but October 2011-April 2012 contracted working hours were positively associated with hourly pay;
- Care workers with fixed contracted hours are in a more favourable position.
- In line with this, weekly pay for those on zero-hours is significantly less than for those on fixed contractual hours.

The importance of hours

‘I can’t plan my life, not knowing when exactly I am going to be working, I can’t plan things, what seems to have happened invariably is because we have lost a few service users, some of them they’ve gone into hospital, is that I have gappy rotas, periods when I am not working, odd half hours, I take a book with me, I know that I am not getting paid, sometimes it’s really depressing, one of my colleagues said she was going out from 3pm to about 7pm and actually there was only two payable hours in that whole period...’

Hours

- The use of zero hours contracts;
- Accommodating the NMW and Living Wage?
- Unpaid labour of women workers;
- Collective bargaining-isolation and removal from representation and organisation?

- What demands should we be making?
- How do we organise?