

## **Scotland's Care Crisis**

This report examines social care and early learning and childcare (ELC) in Scotland. It looks at recruitment and retention issues in these female-dominated, undervalued sectors and considers the implications of current trends, forecasts and policy commitments. It concludes that a perfect storm of existing staffing issues, an ageing population, Scottish Government policy commitments, Brexit, automation, and historic and ongoing equal pay discrimination is likely to lead to further staffing issues and increasing industrial unrest. The report recommends that alongside increased investment, sectoral bargaining structures are put in place to ensure that future changes are brought about in partnership with workers, employers and the Scottish Government.

### **A female-dominated and undervalued workforce**

In 2017, more than 200,000 staff are employed in the social care sector - 83% are women.<sup>i</sup> The workforce has grown from 191,000 in 2008 to 202,000 in 2017. The Fair Work Convention's recent report on working conditions in the sector found the following:

- 13% of the workforce work over 50 hours a week;
- 20% of the workforce are not on permanent contracts;
- 15% of social care workers work unpaid overtime;
- 11% of the workforce are on zero hours contracts; and
- the average hourly pay is £9.79.<sup>ii</sup>

There were a further 56,000 workers in the childcare sector in 2017 – 98% of whom were women.<sup>iii</sup> The Financial Review of Early Learning and Childcare in Scotland found that, in 2016, around 80% of practitioners and 50% of supervisors in private and third sector settings delivering the funded ELC entitlement were paid an hourly rate below the real Living Wage.<sup>iv</sup>

### **Scotland's current crisis in care staffing**

Data from the Care Inspectorate, published in January 2019, found that 38% of services (across both social care and ELC) reported having vacancies as December 2017. This was an increase of 2% on the previous year.<sup>v</sup>

Vacancy rates were highest for care at home services (62%); care homes for older people (59%); housing support services (59%); and care homes for adults (53%). Daycare of children services was somewhat lower at (23%).

45% of services with vacancies reporting problems filling them, suggesting recruitment and retention are both major issues. Frontline trade union representatives report that a combination of low rates of pay and high rates of stress

is leading to many care workers moving out the sector – to take jobs with supermarkets, for example.

In some cases, moves to pay the living wage have led to diminishing pay differentials – for example between a normal care worker and a team leader/supervisor. This leads to issues with progression as workers are reluctant to take on additional responsibility for limited reward. While the Living Wage absolutely needs to be put in place, there is a need for investment beyond the living wage if differentials are to be maintained. There is also a need for collective and sectoral bargaining arrangements to ensure workers are able to collectively feed into the implementation of the policy. Collective and sectoral bargaining agreements where the employer(s) and workers, through their trade unions, discuss appropriate pay and terms and conditions, would help ensure that pay systems put in place that are fair for all workers and maintain appropriate differentials and progression opportunities.

### **The need for further expansion**

With people living longer, there is a desperate need for more social care workers to look after our older people. UK research suggests that 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 40% (650,000 jobs) to around 2.25 million jobs by 2035.<sup>vi</sup> Applying the same 40% figure to Scotland would mean an additional 80,000 jobs.

In addition the Scottish Government's expansion of free ELC entitlement to 1140 hours will require a considerable scaling up of the ELC workforce. Initial calculations suggested 20,000 additional workers would be required by 2020 to deliver the commitment, but this has since been revised down to 11,000 between 2016 and 2020.<sup>vii</sup>

Besides the current crisis in staffing levels, Scotland's ageing population and Scottish Government policy commitments suggest a significant increase in the number of care workers that will need to be recruited in coming years.

### **The contribution of EU nationals**

Scottish Government commissioned research suggests 5.6% of the social care and early learning and childcare workforce are non-UK EU nationals.<sup>viii</sup>

Scottish Care, who represent providers in the private and voluntary sector, report that their members rely on overseas recruitment for new vacancies, with 42% of services recruiting from the EU.<sup>ix</sup>

In light of this, there may be increasing recruitment issues dependent on decisions relating to Brexit and freedom of movement. In addition, it may already be the case that the Brexit vote itself has made recruitment of EU nationals more difficult.

## Care and automation

A number of reports estimate that, across the economy, large numbers of jobs will be lost due to technological change.<sup>x</sup> A widely cited study (Frey and Osborne 2013) estimated that 47% of current US jobs were vulnerable to new technologies within the next 10 to 20 years.<sup>xi</sup> IPPR applied the same methodology to Scotland and found a very similar number of jobs at risk.<sup>xii</sup> While there is a large degree of uncertainty about job predictions and technological change, it is perhaps more useful to consider the types of jobs that are likely to be impacted by automation and those that are not.

While manufacturing jobs are at increased risk of automation, care work is perhaps the least likely to be automated. This is due in part to 'Moravec's Paradox' - the discovery by artificial intelligence and robotics researchers that high-level reasoning requires very little computation, but low-level sensorimotor skills require enormous computational resources. In short, socially focussed work using human skills such as social care and ELC is least susceptible to automation, and may increase in importance in coming years.

## In-work poverty and the gender pay gap

The Scottish Government recently published a Gender Pay Gap Action Plan to reduce Scotland's gender pay gap of 16%.<sup>xiii</sup> While the Action Plan recognises that women are heavily over-represented in low-paid and undervalued occupations such as social care and ELC, there is a lack of practical and funded commitments to increase wages and fair work in these sectors. The two most relevant recommendations in the Action Plan in this regard are a recommendation to ensure implementation of the real Living Wage in ELC and a commitment to work with the Fair Work Convention to help embed fair work practices in the social care sector. Ensuring the real Living Wage is paid in ELC is not nearly ambitious enough a recommendation for addressing occupational segregation and the gender pay gap, which is why trade unions have consistently argued for sectoral bargaining in this sector.

Poverty and inequality figures for Scotland published in March show in-work poverty increasing.<sup>xiv</sup> In-work poverty is a particular issue for part-time workers and lone parents. Both of these demographics are likely to be over-represented in the care sector given that 100,000 care workers are part-time<sup>xv</sup> and 83% are women (women are eleven times more likely to be lone parents than men).<sup>xvi</sup> It cannot be right that some of Scotland's most valuable workers, who care for our older people and educate our children, are living in poverty.

## Recent industrial disputes

The issues outlined above point to some of the reasons why we are seeing and are likely to see more industrial unrest among the care workforce.

In October, 8,000 low-paid women, having already won in the courts, took strike action against Glasgow City Council over the continued delay in reaching a settlement on Equal Pay. They included home carers and nursery workers. It followed decades of being discriminated against and is the largest industrial action of its type since the Equal Pay Act was passed in 1970. The strike by UNISON and GMB led to a negotiated settlement for backdated pay discrimination, worth more than £500 million to the workers involved.

The strike illuminates serious Equal Pay issues across Local Authorities in Scotland, where jobs predominantly undertaken by women have been chronically undervalued. Although the strike in Glasgow was won, a new non-discriminatory pay system for the whole of Glasgow City Council will still need to be agreed in the coming years. The homecare workforce have also raised concerns with 15 minutes visits and a number of other work-related issues, so industrial unrest may not be over.

In Dundee, City Council homecarers successfully fought the introduction of split shifts after voting in favour of industrial action.<sup>xvii</sup>

There are also signs of increasing trade union action in the voluntary and private sectors. UNISON has challenged Cornerstone over the anti-union step of derecognising the Union for collective bargaining purposes after 24 years of a voluntary agreement.<sup>xviii</sup> Intervention by the Scottish Government and CoSLA encouraged both parties to seek the assistance of ACAS, but with no shift, and UNISON have lodged a claim for statutory recognition with the CAC.

In recent months GMB members at Living Ambitions have taken action against their employer on unpaid wages.<sup>xix</sup>

The disputes above illustrate why care is likely to see increasing levels of industrial action and why an increasing number of trade union leaders view the care sector as crucial to the revival of the trade union movement.

## **The need for sectoral bargaining**

The issues outlined above, highlight why trade unions are increasingly important players in social care and ELC. Yet currently, only 19% of social care workers have their pay and conditions affected by agreements between employers and trade unions.<sup>xx</sup>

The recently published Fair Work Action Plan commits the Scottish Government to increasing collective bargaining in: social care; early years and child care; hospitality; and construction.<sup>xxi</sup>

Social care and ELC are of particular interest because the Scottish Government and Local Government whether through direct provision or through commissioning,

directly fund both services. This, in theory, should make it much easier to put leverage on employers to recognise trade unions for collective bargaining purposes or to agree sectoral bargaining arrangements so that all workers in the sector are raised up to a certain standard. The Scottish Government's commitment in the Fair Work Action Plan to "create a forum in Early Learning and Childcare to explore sectoral bargaining as a long-term aim with implementation of real Living Wage being the first step" is therefore welcome.<sup>xxii</sup> However there is an urgency to convene this forum given the current challenges and expansion plans.

Whether Government and employers like it or not, social care and ELC workers are increasingly frustrated and are taking action – sometimes this is collectively, through industrial action, and sometimes it is individually, through leaving the sector. But fight or flight, the only sustainable solution to Scotland's care crisis is the involvement of trade unions in collective and sectoral bargaining structures which raise voice, terms and conditions and ensure a female-dominated workforce is properly valued for the crucial work they do.

For further information contact:

Francis Stuart, Policy Officer, [fstuart@stuc.org.uk](mailto:fstuart@stuc.org.uk), 0141 337 8139

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<sup>i</sup> <https://www.fairworkconvention.scot/wp-content/uploads/2018/11/Fair-Work-in-Scotland%E2%80%99s-Social-Care-Sector-2019.pdf>

<sup>ii</sup> <https://www.fairworkconvention.scot/wp-content/uploads/2018/11/Fair-Work-in-Scotland%E2%80%99s-Social-Care-Sector-2019.pdf>

<sup>iii</sup> [https://data.sssc.uk.com/images/WDR/CSW/Childrens\\_Services\\_Workforce\\_2017.pdf](https://data.sssc.uk.com/images/WDR/CSW/Childrens_Services_Workforce_2017.pdf)

<sup>iv</sup> <https://www2.gov.scot/Resource/0050/00506148.pdf>

<sup>v</sup> <http://www.careinspectorate.com/index.php/news/4767-staff-vacancies-in-care-services-2017>

<sup>vi</sup> <https://www.skillsforcare.org.uk/NMDS-SC-intelligence/Workforce-intelligence/publications/The-size-and-structure-of-the-adult-social-care-sector-and-workforce-in-England.aspx>

<sup>vii</sup> <https://www.gov.scot/binaries/content/documents/govscot/publications/foi-eir-release/2018/03/foi-18-00763/documents/5d919dd0-c78a-433d-9607-f6c2cdd2fe15/5d919dd0-c78a-433d-9607-f6c2cdd2fe15/govscot%3Adocument>

<sup>viii</sup> <https://www.gov.scot/publications/contribution-non-uk-eu-workers-social-care-workforce-scotland/>

<sup>ix</sup> <http://www.scottishcare.org/wp-content/uploads/2018/12/Care-Home-Workforce-Data-Report-2018.pdf>

<sup>x</sup> <https://news.gov.scot/news/technology-and-the-labour-market>

<sup>xi</sup> [https://www.oxfordmartin.ox.ac.uk/downloads/academic/The\\_Future\\_of\\_Employment.pdf](https://www.oxfordmartin.ox.ac.uk/downloads/academic/The_Future_of_Employment.pdf)

<sup>xii</sup> <https://www.ippr.org/news-and-media/press-releases/skills-reform-needed-as-half-of-scottish-jobs-at-risk-from-automation-leading-think-tank-warns>

<sup>xiii</sup> <https://www.gov.scot/publications/fairer-scotland-women-gender-pay-gap-action-plan/>

<sup>xiv</sup> <https://www.gov.scot/publications/poverty-income-inequality-scotland-2015-18/>

<sup>xv</sup> <https://www.fairworkconvention.scot/wp-content/uploads/2018/11/Fair-Work-in-Scotland%E2%80%99s-Social-Care-Sector-2019.pdf>

<sup>xvi</sup> <https://www.scotlandscensus.gov.uk/news/census-2011-key-results-households-and-families-and-method-travel-work-or-study-scotland>

<sup>xvii</sup> <https://www.gmbscotland.org.uk/newsroom/gmb-calls-on-dcc-to-step-back-from-horror-show-home-care-cuts> and <https://www.eveningtelegraph.co.uk/fp/video-hundreds-support-dundee-council-workers-on-march-over-job-changes/>

<sup>xviii</sup> <http://www.unison-scotland.org/unison-statement-on-cornerstone/>

<sup>xix</sup> <https://morningstaronline.co.uk/article/f/deliver-us-some-respect-job>

<sup>xx</sup> <https://www.fairworkconvention.scot/wp-content/uploads/2018/11/Fair-Work-in-Scotland%E2%80%99s-Social-Care-Sector-2019.pdf>

<sup>xxi</sup> <https://economicactionplan.mygov.scot/fair-work/collective-bargaining/>

<sup>xxii</sup> <https://economicactionplan.mygov.scot/fair-work/collective-bargaining/>