

STUC Response to National Care Service Consultation

The STUC is Scotland's trade union centre. Its purpose is to co-ordinate, develop and articulate the views and policies of the trade union movement in Scotland; reflecting the aspirations of trade unionists as workers and citizens. The STUC represents over 560,000 working people and their families throughout Scotland.

Social care in Scotland – a case study in market failure

The STUC believes Scotland's social care system requires a root and branch reform. Both social care service users and care workers have been let down by successive Scottish Governments. Local authorities have often struggled to meet the demand for care services long before the COVID-19 pandemic which has resulted in increased demand and critical shortages in recruitment and retention of care workers.

Over the past eighteen months developments in the care sector have amounted to a crisis within the crisis. There has been an appalling loss of life in residential care homes during the COVID-19 pandemic, as well as unacceptable health risks to workers. The chronic low-pay and exploitative working practices in social care which predated the pandemic, affecting a workforce comprising of predominantly women and BAME workers, is now well understood and are driving a clear sense of undervaluation within workers across the sector.

The majority of residential care in Scotland is provided by for profit enterprises, often owned by private equity firms whose ultimate ownership lies in tax havens. There are numerous examples of private providers terminating contracts with local authorities, either by choice or following the collapse of the company¹ This results in overstretched local authorities attempting to cover gaps in care provision, leaving workers at risk of redundancy and the system failing to meet the needs of care service users. Scotland can neither afford nor tolerate the social care investment lost to the opaque and complex corporate structures of many private providers.

Vision for a National Care Service

The creation of a National Care Service in Scotland provides a unique opportunity to radically alter care provision benefiting care service users and social care workers who must both have a central role in the new service's design and delivery. The Independent Review of Adult Social Care in Scotland outlines the *"market approach to commissioning and procurement produces 'competition, not collaboration', which, in turn, leads to too much focus on costs rather than high quality, person-centred care and support. We were repeatedly told that this focus on costs causes poor terms and conditions, including pay, for the workforce."* Local authorities are rapidly decreasing their provision of care at home services from 71% in 2008 to 47% in 2021 as using private and third sector providers.²

To address the core issue and create a truly transformative National Care Service, it must be based on **public ownership and control with not-for-profit provision throughout the service.**

The current narrative from Scottish Government states that the National Care Service is the most significant public service reform since the creation of the National Health Service. This

¹ <https://www.scottishhousingnews.com/article/administrators-called-in-to-care-home-provider>

² <https://fraserofallander.org/election-2021-issue-brief-adult-social-care/>

comparison is at best misleading as the Government's current proposal is for a national commissioning and procurement service that will not employ anyone directly.

Over 200,000 people work in social care across Scotland, with The dedication and commitment of staff was applauded throughout 2019 as carers continued to work during lockdown, initially with no access to PPE, testing or basic risk assessments. With basic pay only increasing to £9.50, the sector struggles to recruit and retain staff. A National Care Service cannot be based on the goodwill of undervalued staff and requires **a significant increase in pay is required to address the shortages**. The Real Living Wage is a starting point and by no means the final destination for achieving pay justice for care workers. Trade unions suggest a range of stages for increasing pay including raising pay levels to the equivalent of health and local government to an increase in hourly pay to £15 per hour.

Critical to the development of a National Care Service, supported by the Feeley Report recommendations and The Fair Work Convention, is the implementation of Fair Work. Terms and conditions in the care sector vary with over 13% of the workforce working over 50 hours per week and 20% not on permanent contracts³.

Embedding the Fair Work principles of Security and Effective Voice in a National Care Service requires, in addition to improved pay:

- collective bargaining, starting with trade union recognition, to ensure workers are represented effectively
- improved employment contracts and terms and conditions to provide enhanced sick pay, paid rest breaks and address gender pay inequality
- an end to zero hours and precarious contracts to provide wage and job security
- development of a national workforce plan to provide enhanced training and career progression opportunities

Funding pressures exist across the care sector as local authority budgets fail to cover care costs and providers complain they are expected to drive down the cost of care. Creating a National Care Service which embeds Fair Work and meets the demands of current, and predicted future, levels of care requires serious investment. The current Scottish Government commitment to increase the social care budget by 25% over the lifetime of this Parliament does not begin to offset the estimated £660million per annum reported by the Independent Review of Adult Social Care in Scotland⁴. **Social care should be viewed as critical infrastructure in Scotland and the sector supported as a key economic growth sector providing sustainable employment opportunities**. The financialisation of the sector, particularly in residential care, has resulted in increased reliance on providers backed by private equity firms where profits are extracted from buildings along with care, and resulting risks are borne solely by the public sector.

The regulation, quality and provision of care must be reside in the public sector to ensure democratic accountability. The proposal for a national procurement and commissioning body masquerading as a National Care Service will not offer the radical transformation that is required to deliver quality care based on service users needs and address the crisis in the care workforce. **Care service delivery must remain within local authority remit** and they should be supported to deliver care services within the framework of a National Care Service.

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³ <https://www.fairworkconvention.scot/wp-content/uploads/2018/11/Fair-Work-in-Scotland%E2%80%99s-Social-Care-Sector-2019.pdf>

⁴ <https://www.gov.scot/publications/independent-review-adult-social-care-scotland/>