

Written evidence submitted by Peter Wilson (EPW0073)

- Do you think the Government's commitment to ensure staffing levels meet the needs of the service is currently being met? **NO.**

It is our considered opinion that funding for training (see below) or promoting the sector as an occupation to support recruitment at this moment in time is not required (and is in our view a waste of public money) given the other and more fundamental structural issue that should be attended to first.

As regards the former (see also below), there is no problem sourcing or paying for training albeit the fee arrangements from Commissioners (Local Authorities) are no longer adequate to cover the full economic costs of workforce development which include:

- the recurring costs of CQC mandated training (most notably, Health and Safety, Fire Safety, Equality, Diversity and Human Rights, Infection, Prevention and Control, Manual Handling, Food Hygiene/Food Safety Awareness, Safeguarding Adults and Safeguarding Children),
And
- the (more significant cost) of releasing staff for training and back-filling their posts while they undertake training. Local Authority fee rates do not provide coverage of these costs and which also require many providers who are not fully-staffed, in any event, to resort to agencies (at significantly higher cost) to support service delivery.

As regards the latter, the Government's national campaign and, indeed local initiatives to the same end continue to provoke real ire amongst my colleagues; these 'forays' into the sector which national and local government has long since neglected are perceived (at best) as ill-judged and a further waste of public money illustrating a disconnect from the fundamental issue that is responsible for the structural failure we're now experiencing across the sector. The fundamental issue in the sector is and has long been the base rate of pay - only by addressing this (and as a first step) will we see any meaningful impact - all other initiatives in 'this space' seem to be 'window-dressing' at best and appear to be 'avoidance' at worst.

Of all the provider forums my colleagues and I attend, I cannot recall anyone of our colleagues referencing or advocating the need for either a government workforce development budget or promotional campaign. For my own part, and for as long as Care and Support work is devalued and debased as an occupation, I do not and will not personally attend schools or colleges as advocate of the sector as a career destination (to support recruitment) nor do I permit our staff to do the same.

Is there a system and partnership approach to workforce planning within your workplace's workforce strategy?

The question itself suggests that programming workforce development is more complicated than it is.

Providers have had to be systematic in organising training and development so as to be CQC compliant (for years) and to deliver nothing less than the mandated requirements as noted above.

Whereas Azure were, until recently, registered as an Apprenticeship Employer Provider and delivered apprenticeship training 'in-house' and where all apprentices successfully completed end point assessments with Distinctions or Merits we have abandoned this as a training model as the funding band (our apprenticeship levy rebate) and off the job training costs which are not recoverable through local authority fees (as detailed above) render this cost prohibitive. Moreover the apprenticeship 'funding band' perpetuates the notion that care (as an occupation) is unskilled for which sector skills council's and their successors e.g. Skills for Care bear ultimate responsibility. We (Azure) have advised the ESFA accordingly and will be writing to the Secretary of State, the Minister for Higher and Further Education (Michelle Donelan, MP) and Robert Halfon, MP (as Chair of the Education Committee) in these same terms and to explain that we see no systems thinking or partnership approach to the Care Sector across local or, indeed, national government and which is perhaps most and best illustrated by the fact that early this week Northumberland County Council made a recruitment leaflet drop at our services here in Cramlington targeting our our Care and Support staff (for their vacancies).

- **What is your experience of funding availability for staff?** Fee arrangements (from Commissioners) have been eroded in real terms over the last 10 years and are now inadequate having been set historically (and particularly in Northumberland) to support service providers to pay staff the NLW only. Northumberland County Council have just announced policy to improve recruitment by improving fee rates paid to providers - which have been amongst the lowest in the country (and in the NorthEast of England) for many years. New arrangements (in Northumberland) –supporting providers to pay Support Workers the Real Living Wage (as a belated acknowledgement of the structural failure the Authority's policy has perpetuated) is long after the event and remains inadequate to reverse years of neglect. Many providers are/were already subsidising staff pay and conditions from other sources of income/running services at a deficit* which has and continues to prompt so many exits from the market. Moreover, fee rates in Northumberland have and for many years prompted providers (private and registered charities) to abandon service delivery in Northumberland and target 'better paying' Commissioners were margins are sustainable and the management and delivery of services more straightforward where fee rates support staff recruitment and retention.

Whereas Azure subsidises the pay and conditions of our Care & Support staff from the profits generated from our commercial income (profits from our Garden Centre, Managed Workspace, etc), you should be aware that the largest housing associations that provide Care & Support Services offer enhanced rates of pay subsidised by the receipts they leverage from their tenants and the year on year rent increases they are able to secure and which are paid from Housing Benefit i.e. national funds. Whereas tenant rents should not be increased to support the costs of care, this is not 'policed' by and is of no interest to Local Authorities who are naturally more interested in 'ends' rather than 'means' i.e. if services can be subsidised from national funds (housing benefit) then this is money local authorities need not find from within their own budgets. It is also perhaps explains why Local Authorities appear to increasingly favour large Housing Associations for the provision of care and support services and with whom there now appears to be a 'circular' economy.

*I recently met with a CEO of a local service provider who explained to me that their organisation delivered services last year at a deficit and that they have set a deficit budget this year (covered by reserves). When I asked how this could be sustained, they explained to me that they are retiring at the end of this financial year and suggested that Azure might consider taking their organisation (another registered charity) over. I was forced to explain

that there is no merit in Azure absorbing other care providers where the underlying business with Commissioners is already being delivered at a loss.

At the time of writing, I should also make you and your colleagues aware that neither Newcastle City Council or Sunderland Council have communicated their budgets to providers for this financial year and which have historically been determined and communicated to providers in advance of the financial year. As such, local providers do not know whether and to what extent they may be delivering services this year to these Local Authorities at a deficit. As such and in such circumstances I am acquainted with two services providers who have been/are contemplating terminating the delivery of services to Commissioners and without notice.

You should also be aware that we (Azure) are offered (for sale) 'low margin' care businesses for purchase circa two/three times a week and each 'bulletin' we receive from accountants (as brokers) tend to feature between two and five opportunities to purchase. In summary, many seem to be private providers looking to 'retire' where it's fairly obvious that the EBITDA is no longer worthwhile for the owner/operator – i.e. there's not enough for them at the end of the year with margins increasingly eroded and the challenges of managing/operating care businesses deemed to be no longer worth it.

- Do you have any comments on the Government's commitment to have better infrastructure for staff?

Government (local and national) have persistently 'body-swerved' the single and most fundamental issue i.e. pay; the principal objection seems to be that if pay is improved it will come at a cost. The sooner this is acknowledged AND accepted then, and only then, can a meaningful strategy for the sector be implemented. Insofar as this is often presented as an 'existential question' i.e. are taxpayers prepared to pay for the society and service that they need/want, I think the time to move beyond such conceptual/philosophical questions is long overdue.

Central to any sector strategy is a recognition of the fact that Care & Support is NOT an 'unskilled' occupation and with due respect to other sectors, is more skilled and should pay better than supermarket workers, hospitality workers, etc. While this is somewhat crude, I would suggest that Care & Support work rates of pay are revalued against and fixed against NHS benchmarks (with all associated benefits) and that in the short term a 20%-30% uplift on base rates of pay in, for example, retail would be necessary to support (divert) recruitment to the sector and support staff retention.

All other initiatives and government announcements including £500million to support the development of the workforce demonstrate a fundamental lack of awareness and understanding of the sector and would be far better expended in supporting uplifts in pay rates. With all due respect, I am afraid your Committee's enquiries in this area while well-intentioned might again be perceived as demonstrating a consistent determination to 'play the man instead of the ball'.

- What is your experience of technology in the workplace?

We suggested (some 4 years ago) that Northumberland County Council procure one client management software solution and license the same to all contracted providers (it is one of our most significant overheads) which would reduce costs (for all providers) and which the authority has not taken up and notwithstanding the fact that this might also have improved staff mobility (which is perhaps a downside for us as a provider) but would also support the

delivery of training en masse and which might deliver (for providers and the authorities) a significant economy. We continue to be underwhelmed by the lack of awareness, understanding and imagination of Commissioners in this regard and in other matters.

- The Government made a commitment to listen to the views of staff. Do you have any comments in relation to this? The Government has been 'listening' for years but has persistently ignored the central issue i.e. the base rates of pay and conditions for staff.

Moreover, as the national disability strategy acknowledges, policy and strategy in this area has been nothing short of an abject failure for 20+ years. When systemic failures continue to be identified to and discussed with Local Authorities and the DWP we (Azure and our fellow service providers) tend to be met with 'we know', 'that's just what/how it is', 'what do you expect us to do about it as we've been targeted (as a department) to deliver more cuts', etc.

Suffice it to say, there seems to be a dearth of energy and commitment to delivering innovation and substantive improvements for care staff and our clients if not an air of 'ambivalence', 'futility' and/or 'defeatism'.

Moreover, clients, families and staff have formed a very cynical view of the economies driven locally by 'risk and independence' assessments which seem to be an initiative driven and calculated to deliver economies and reduce care hours provided and associated costs 'in the name' of getting clients to be more independent and 'for their own good'. Care visits across the sector seem to have become entirely functional and which now seem to admit little/no meaningful client engagement, interaction, humanity or preserve client dignity and which is itself prompting staff who see their work as a vocation to leave the sector when confronted with the reality of delivering contracted services.

- In your experience do staff have appropriate access to support in the workplace? Yes. However fee arrangements (from Commissioners) do not support the range of benefits afforded staff directly employed by Commissioners (Local Authorities) or the NHS and for which, I would suggest, there appears to be no (national or local) 'policy' mandate.

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