Modernising
Social Services?

Evidence from the Frontline

CENTRE *for* PUBLIC SERVICES

Research ● **Strategy** ● **Planning** ● **Evaluation**

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About the Centre for Public Services

The Centre for Public Services is an independent, non-profit organisation. It is committed to the provision of good quality public services by democratically accountable public bodies implementing best practice management, employment and equal opportunities policies. The Centre was established in 1973 and operates nationally from a base in Sheffield.

The Centre is currently celebrating its 30th anniversary.

A range of publications and information about the products and work of the Centre and how to affiliate are available from its website: www.centre.public.org.uk.

1. Executive Summary

1.1 Introduction

Social services are some of the most vital local public services, acting as both a social safety net to catch those who become excluded from a society and a system of vital support for children, families, adults with emotional or learning difficulties and older people no longer able to maintain their independence without external help. The quality of our social services are a key barometer of how caring and inclusive our society is.

Social services, like all aspects of the public sector have had to cope with two decades of under-funding and almost constant incremental reform. They are now subject to what the government calls 'modernisation'.

If the government is to be believed, modernisation drives at service improvement, tailoring services to meet the needs of users and not those providing them, and lies at the heart of creating a 21st Century welfare state. However, there are concerns that this agenda ignores the genuine concerns of staff about the implications of modernisation on service quality and that it is in reality a thin veil for a continuing drive for cost cutting and privatisation.

This report examines the implementation of the government's modernisation agenda for public sector reform. It gives a voice to social care professionals at the frontline of service delivery and therefore also modernisation. It gives their impressions of how the key aspects of the government's agenda are being implemented on the ground and offers answers to the following question:

> Does the implementation of the modernisation agenda for social services improve service delivery in the creation of a responsive and flexible 21st Century welfare state or does it undermine service quality, dismantle the welfare state and replace it with corporate welfare?

1.2 Method

The research for this report was carried out in three separate stages:

- A focus group of social workers who helped to highlight key issues for further investigation and provided a 'sounding board' for the findings of the research. Importantly this group of social workers helped to define a large survey questionnaire for distribution among the social work labour force in a major County authority.

- A survey of social workers. The survey spanned more than 130 quantitative and qualitative questions, many of them specifically requested and designed by the focus group. It was distributed in mid March 2003 and the final analysis was completed during the last week of April 2003.

- A review of some secondary literature relevant to the opinions of social workers. Primary among this literature search was an investigation of the pay and terms and conditions of care workers.

1.3 The Debate

The Government's Third Way for Social Services

The government claims that it's reform agenda for social services and the public services more generally is based on modernisation with the following four key principles:

- Performance management and inspection.

- Devolution of management freedom to frontline staff.

- Flexible employment structures for staff.

- Expanding choice and diversity in public service provision.

Accompanying these is a whole 'language of reform' which stresses the need for innovation, diversity and partnerships. The language is progressive and the clear emphasis is that the reform agenda is based on service improvement for a "21st Century welfare state" (Blair, 11 September 2001)

In particular local authorities are to embrace the enabling vision of service provision. Council's are to become strategic bodies, responsible for leadership, planning and policy but not necessarily service delivery. They are then to act as enablers, commissioning providers from the public, private and voluntary sectors to deliver services which will meet their aims and objectives.

A particular focus of reform is the perception that staff are part of the problem of 'traditional' service delivery mechanisms, representing 'producer interests'. This lends weight to the popular picture of the government driving through reform against the wishes of the public sector unions, who are presented as jealously guarding their preferential terms and conditions and are concerned only with the workforce implications of reform for their members.

The Critics Response

Critics lambast this agenda claiming that it is a thin veil for cost-cutting and privatisation. They claim that the New Labour government is continuing or recreating many old and discredited Tory policies that it had pledged to abolish when in opposition. They highlight contradictions in the modernisation agenda and resent the implication that trade union opposition is mounted on sectional interest. Crucially they allege that the modernisation agenda is about marketisation, privatisation and the dismantling of the welfare state. In its place they see the creation, not of a 21st Century welfare state but a new complex of Corporate Welfare.

1.3 Findings

Recruitment and Retention Crisis

The research uncovered some alarming findings. Primary among these was the revelation that as many 80% of social workers were considering leaving their jobs. The County was already facing a major recruitment and retention crisis and this could not prove comfortable reading for Social Services managers.

> "Overall there are a large number of vacancies and when advertised the authority have received <u>no</u> applications."

But the reasons for this were equally revealing. The reasons for social workers wanting to leave reflected a general breakdown in the system. Many were left demoralised by reform which they felt reflected a de-professionalisation of their role. They reported increasing hours spent completing administrative and computer based tasks rather than working with service users. Many felt that this meant that the reasons why they took up the profession in the first place – primarily to help people – were no longer present.

> I want to help people but because of policy, eligibility criteria [and] staff shortages, not able to.

Given the nature of social work, this is indeed a worrying finding.

Declining Job Satisfaction

The survey revealed a picture of plummeting job satisfaction, increasing workloads and workplace stress among social workers. Nearly 80% reported declining job satisfaction over the last two years.

> "There is little job satisfaction. The numbers of clients far exceeds that which I can cope with satisfactorily in the time available. I suffer a lot of stress and anxiety due to this. Case loads are not monitored adequately and have reached dangerous levels in this area. Many of my colleagues feel as I do"

The Commissioning Strategy

In explaining recruitment and retention difficulties and declining job satisfaction, many pointed the finger at the 'commissioning strategy', a key element in the implementation of the government's modernisation agenda. The feelings of social workers did not, though appear to be politically motivated. Few of them knew of, or were interested in, the broader political arguments around the modernisation agenda. What they highlighted was the fragmentation of service delivery, increased difficulty in getting the right 'package of care' for vulnerable people and incessant cost pressures meaning that the quality of care was in decline. Residential care was being scaled down in favour of care in people's own homes or other less expensive settings, but many social workers were concerned about the quality and quantity of care that could be offered in this setting.

> "Social work is no longer a profession, it is little more than a device to control access to totally inadequate resources and to carry out the whims of management and politicians, both of whom go for the lowest common denominator."

Many were specifically worried that the pay and terms and conditions offered to care workers by private agencies, in particular, was insufficient to attract good quality, trained and experienced people. They were especially concerned that inflexible payment

mechanisms meant that those in need in rural areas or with complex care needs were not receiving the care they needed. The practice of not paying care workers for their travelling time was highlighted as a reason why care workers frequently did not turn up for appointments with service users, leaving vulnerable people lacking the care that they need.

> "Care agencies can't get sufficient staff – people get paid more filling shelves in a supermarket!"

A Question of Ethics

Discussions with the focus group and the survey responses indicated a serious ethical issue at the heart of the commissioning approach to service delivery. Many of those included in this research felt that their ability to recommend care packages for service users was being so constrained by the commissioning strategy that they were being forced to breach their own professional ethics.

> "Professional ethics are jeopardised every single day because the proper resources don't exist or you have to wait months, even years."

This is a serious issue and points to the dangerous implications that may arise from such structural weaknesses in the social care system.

What Matters? / What Works?

A key element of the government's reform agenda lies in the statement "what matters is what works". It is used to move away from the traditional Labour preference for direct provision of services in the public sector. Social workers voiced their rejection of this mantra. Their comments showed that what matters most in such vital public provision is the values and ethos of delivery. "What works" according to this group of public service professionals, is public provision. Responses consistently rated delivery of care services by 'in-house' providers as better than that by private agencies.

In general these opinions arose not from an ideological commitment to public provision but to some of the structural implications of privatisation. A range of issues were highlighted, including the effect of commercial priorities on the values of and ethics of care, the fracturing of lines of responsibility and accountability and the introduction of perverse incentives.

> "generally the profit motive dominates [in the private sector]"

> "within private care there is no accountability. Carers do not turn up or turn up very late. Social Services are paying for care which service users are not receiving"

Most social workers did not feel that privatisation was leading to poor quality because private providers were bad people. Rather it was the market context in which the services were being provided. The overall structure of the commissioning approach was the target for criticism, not individual firms, managers or staff. This is important in contextualising some of the high profile failures of social care systems. It was clear that many social workers included in the research felt that the system was at breaking point and root and branch reform of the principles that underlie service delivery models had to be undertaken. Mere technical reform or reform for reform's sake would not do.

1.4 Conclusions - Modernisation or Cost-Cutting and Privatisation?

Taken as a whole the responses of social workers indicated that they did not believe in the rhetoric of 'modernisation'. They felt that cost considerations lay behind the implementation of the modernisation and commissioning rather than service improvement. They were also scathing about the government's approach to 'performance management', regarding the swathe of statistical performance indicators and inspection regimes as a distraction from the core business of service delivery rather than focussing attention on 'continual service improvement'.

"The focus has changed from helping people to meeting targets … and the humanity has got lost somewhere in the middle."

In sum the evidence from the frontline of modernisation is that the government's modernisation agenda has serious weaknesses and internal contradictions. It appears on balance to be more of a continuation of privatisation than it is a new and radical manifestation of social democracy.

Tony Blair has said:

"…we want to hear from you, what else we can do to allow you and your staff to do your job better" (March 2002).

In this report, a key group of public service professionals have spoken out. They have voiced their dissatisfaction with the modernisation agenda for public service reform, from the point of view of service quality and their own job satisfaction. None of the social workers in focus groups nor any of the survey replies received appeared to be motivated by sectional self interest or party politics. They were concerned with 'what works' and they said that commissioning – the marketisation of public services – **does not work.**

2. Introduction

2.1 Social Services

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2.2 Method

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group. It was distributed in mid March 2003 and the final analysis was completed during the last week of April 2003.

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2.3 Structure of this Report

This report is organised in seven sections, the first two of which are the Executive Summary and Introduction:

Section 3 of the report introduces the government's 'modernisation agenda' and the arguments of critics who claim that it is a disguise for the real agenda of cost cutting, privatisation and corporate welfare.

Section 4 of this report presents the findings of a detailed survey of social workers in a major County authority regarding the implementation of a 'commissioning strategy for social care'. It tests the findings of the survey against the key aspects of the debate introduced in section 3.

Section 5 considers some secondary literature on the national care market, with specific regard to the employment of care workers.

Section 6 presents some elements of an alternative modernisation strategy for social care.

Section 7 presents the conclusions of this report.

3. The Government's Modernisation Agenda

3.1 Introduction

The government has committed itself to a 'modernisation agenda' for public service reform. It claims that this modernisation agenda is aimed at creating better and more responsive services that meet the needs of users. Phrases such as 'diversity', 'dynamism', 'localism', 'innovation' and 'user choice' predominate.

However, there are concerns that there is nothing new or modern about the government's reform agenda which it is argued, reflects a continuation of the reforms of the Thatcher and Major governments, albeit often with a new 'language' of the Third Way used to describe it. From this perspective, modernisation is more about privatisation, cost cutting and 'corporate welfare' than it is about improving public services.

3.2 The Third Way language of Reform

New Labour's modernisation agenda for public services is accompanied by a whole range of terms and phrases which present the core values of the reform framework in a positive light. A number of these are set out below:

- 'Diversity' – can be associated with the promotion of ethnic diversity in equalities policies. However, it is also related to the creation of markets and consumerism in public services through the undermining of public provision and encouraging private providers to enter the 'market'.

- 'Partners' and 'Partnerships' – used in association with just about any policy proposal and all public bodies are expected to think about what partnerships they could have and how their policies affect their partners. Public Private Partnerships is a generic term used to describe a range of different forms of privatisation such as the Private Finance Initiative (private finance, design, construction and support services for buildings and equipment) or Strategic Service Delivery Partnerships (types of long-term partnerships with private sector service providers for frontline and strategic management services). Other Partnerships include Local Strategic Partnerships which are separate institutional structures which encompass local public sector actors such as the local council, learning and skills council, prominent local businesses and business people and the local voluntary, community and faith sectors, to advance regeneration.

- 'Localism', 'earned autonomy' and 'freedoms and flexibilities' – all associated with the idea that greater powers should be given to individual public bodies such as hospitals, local councils and schools to set their own policy agenda, borrow money to invest in service provision and to vary the terms and conditions of staff. This is often

promoted as rejuvenating local democracy but it often leads to two-tier services and more opaque, not clearer decision making channels.

3.3 The Four Principles of Modernisation

The government has set out four key principles for its modernisation agenda (Tony Blair, 16 October 2002; OPSR, 2002). These are:

- Performance management and inspection.
- Devolution of management freedom to frontline staff.
- Flexible employment structures for staff.
- Expanding choice and diversity in public service provision.

Performance Management and Inspection

The early years of New Labour's implementation of public sector reform were accompanied by the erection of an overwhelming range of national and local performance measures and inspection regimes. These had been begun by previous Conservative governments in the form of OFSTED inspections for schools and Local Education Authorities and for other local government services. However, New Labour have expanded and augmented these.

It first introduced Best Value, both an internal and external performance management regime for most local services, including local councils. Councils were mandated to provide detailed performance statistics against more than a hundred Performance Indicators. Individual service areas also need to be subjected to Best Value Reviews which assess service delivery against the so called '4C's:

- *Challenge* – whether existing services are needed.
- *Compare* – performance with other authorities, private firms and voluntary and community organisations.
- *Consult* – the community and staff.
- *Compete* – with other providers.

More recently Best Value has been augmented and overtaken in importance by the Comprehensive Performance Assessment or CPA in which the Audit Commission rank individual services and the performance of the whole council. Services or councils defined as poor are required to reform and improve their services, often being asked to look for external – private sector – service providers.

Sectoral inspections are organised through the Audit Commission and sectoral inspection organisations such as the Social Services Inspectorate which has now been replaced by the Commission for Social Care Inspection. In Social Services, inspections are carried out jointly by the Audit Commission and the Social Services Inspectorate.

The government claim that the performance management framework ensures high national standards and full accountability:

> "there will be more of a focus on standards based on evidence of customer satisfaction – delivering through a system of clear accountability the improvements that make the most difference to customers' actual experience of their services" (OPSR, 2002).

However, critics claim that it is about enforcing government whims and cost cutting on local councils. For instance, Best Value Reviews or critical inspection reports often result in privatisation. Despite government assurances that Best Value should be judged on a mix of performance, quality and price, the prime reason for privatisation is usually cost cutting. For instance, a Best Value Reviews have often been precursors to the closure or privatisation of local authority residential homes.

Devolution to the frontline

The government says that it wants to give frontline public sector workers more power to encourage 'diversity' and 'innovation' in public services:

> "Innovation and efficiency are much more likely to be achieved where people are given the incentive to do so at the local level, which is why the government is strongly committed to the principle of devolving and delegating responsibility and resources...better services should get more freedom and flexibility" (OPSR, 2002).

New powers to be given to local authorities and other services are largely to be granted as a result of meeting certain centrally agreed performance targets. Examples of these powers are:

- The ability to vary terms and conditions of staff thus undermining national pay bargaining and negotiating frameworks.

- The ability to undertake limited borrowing from the capital markets and to dispose of assets in order to invest in future service change or improvement.

- The ability to vary what services are provided at a local level to meet local need.

- The ability to earn revenue from the provision of 'non-standard' or additional services which lie outside core provision or to trade services with other public sector organisations and bodies. Payments for these services may then be used to fund core work.

These freedoms and flexibilities are also part of a drive for increased local participation, engagement and ownership. Local and neighbourhood forums for involving local residents and communities in policies and projects impacting on their localities are spreading in many local authorities.

Burgeoning mechanisms for local involvement and the rhetoric of localism and local participation is in tension with the drive to set national targets and performance management systems. In reality, freedoms, flexibilities and localism are limited to the means of achieving nationally imposed priorities. The challenge of reconciling this 'localism' with centrally imposed coordination and target setting is increasingly the focus of government sponsored research on the most appropriate techniques of 'vertical integration', a process by which local participation and policy flexibility are 'aligned' with national strategies. In this context devolution to the frontline is largely a process of building support and ownership for centrally imposed reforms. There are also concerns that localism and flexibility actually fragment service provision, introducing two-tier service delivery with successful schools, hospitals and local authorities gaining extra resources while others struggle to keep up.

Flexibility of employment

While the 'flexibility of employment' may sound like it is addressing the need for 'work-life balance' on the part of staff, the government is also interested in ensuring that:

"Successful public services have flexible employment and working practices necessary to be able to respond quickly to the rapidly changing world" (OPSR, 2002).

National bargaining in to be undermined through the regionalisation of public sector pay deals in a direct attack on collective trade union organising:

"managers need the flexibility to change local terms and conditions" (OPSR, 2002).

Expanding Choice

While the government usually talks of choice for the service user, there are in reality two aspects of choice being promoted:

- For the service user – over what service they receive and who they receive it from.

- For public sector managers of frontline services – over what back office and support services they use and who provides them.

The promotion of choice appears to be progressive and concerned with improving service provision and responsiveness. The frequent use of the term 'diversity' is intended to strengthen this impression.

However, the promotion of choice also has less progressive implications:

- It is aimed at embedding a culture of consumerism in public service delivery where the relationship between service user and provider is fundamentally altered. Essentially, it is about making markets in public services.

- Promoting this 'diversity' of 'consumer choice' is fundamentally unequal. It is based on an attack on universalism and critics suggest that it will create two-tier services where the affluent areas will receive services tailored to meet their particular needs while working class users will be offered 'bargain basement' provision. It feeds into the idea that a core of basic and universal services can be augmented by top-ups or additional services that can be charged for. It harks back to the debate launched by the Tories in the 1980s about vouchers for public services. It can be seen in education in the creation of 'top-up' fees for attending the most prestigious universities and in social services by the use of Direct Payments which cab be 'topped-up' by the service user to gain better or more access to services.

- Encouraging a range of private 'partners' to provide public services undermines democracy and accountability. This is because it is much harder to monitor who is providing what, at what quality and what cost. Arrangements with private providers are often also governed by complicated legal contracts which are kept from public scrutiny by commercial confidentiality clauses. Even where things go wrong, it is sometimes difficult for public bodies to get out of contracts.

- The scope for corruption also increases exponentially as individuals close to the policy making process can also benefit personally.

Figure 1: User control of public services

	How users exert influence	How users are conceived
Welfare State Model	Through democratic channels	As citizens
New Labour Modernisation Model	Through market channels, purchasing, consumer choice	As consumers

3.4 Public Spending and Corporate Welfare

In the first term of the New Labour government, public spending was held to the limits set by the previous Conservative government. Since then, public spending has increased dramatically, but it needs to be stressed that this was from historically low levels.

While spending is undoubtedly rising, the privatisation of public services means that the beneficiaries of that increased spending have radically changed from previous decades. Where most services are directly delivered by the public sector, the benefits of public spending are divided among the following recipients:

- Service users.

- The recipients of benefits and other forms of state support.

- Staff, who then spend their wages in the local economy.

- Spending by local government staff in the local economy amounts to an additional one job in the local economy for every four local authority jobs.

After privatisation, the beneficiaries of public spending change significantly:

- Service users still benefit from those services provided, but the clash of motivations and values between private companies and the public service ethos often means that the character of service delivery changes.

- Because private companies are primarily interested in making money, staff wages and terms and conditions often suffer over the medium to long-term. This means that there will often be less staff, earning less money with less job security, meaning that there will be less spending in the local economy. For every four local government jobs lost as a direct result of privatisation a further job will be lost in the local economy.

- The private companies involved in delivering public services make large amounts of profit from public sector contracts. A glance at the annual reports of those companies who are involved in public service privatisation reveals rapidly increasing turnover and profitability since becoming involved in the privatisation market:

It is likely then that a large proportion of New Labour's claimed public spending increases will go to supporting Corporate Welfare, a new complex of business and government which consists of (Whitfield 2001):

- A system of outsourcing and contracting in what was previously the public sector but which is now driven by business values.

- An infrastructure of private contractors (banks, construction companies, facilities management contractors and management consultants and legal advisors) all with their own vested interests but which the state is dependant upon to deliver infrastructural projects such as the building of schools, hospitals, roads, railways etc.

- The use of tax payers money to subsidise highly profitable companies.

3.5 The Enabling State

New Labour claims that it does not matter who delivers public services. Instead they claim that 'what matters is what works'. The Prime Minister has said that local councils should move away from providing services directly themselves:

> "the answer is not to go back to the old model of councils trying to plan and run most services" (Blair, 1998).

Instead the government is committed to the 'enabling' vision of the modernised local council. The core aspect of the 'enabling' concept is that strategic policy formation should be separated from policy implementation. It is copied from the growth of large multi-national corporations which sometimes maintain a headquarters with responsibility for strategy in the home country but then contract a range of other firms to produce their goods or services in locations around the world. The enabling vision for local councils sees the council retain a strategic policy core and then 'commission' services from other providers. This means that:

- The power of elected councillors is reduced in relation to un-elected officers who manage and administrate the commissioning system.

- The power of elected councillors to make political decisions about the nature, quality and values of local public service provision is substantially reduced.

- Elected councillors will increasingly focus on handling complaints and queries rather than setting policy because most policy decisions will have already been set by the move to commissioning and because other decisions will be pre-empted by the legal conditions attached to contracts.

- Elected councillors will be less able to respond to the legitimate concerns of voters because officers will be setting the rules by which major service delivery initiatives are conducted.

- The enabling state also further entrenches the corporate welfare complex described above.

- The greater embedding of commercial priorities in public service provision with service users and the council itself defined as customers.

3.6 Modernising Social Care – Principles and Policy

The principles for the extension of the modernisation agenda to social care were set out in the 1998 white paper: *Modernising Social Services*. The White Paper confirmed the Third Way approach to delivering social care:

> "The last government's devotion to privatisation of care provision put dogma before users' interests and threatened a fragmentation of vital services. But it is also true that the near monopoly local authority provision that used to be a feature of social

care led to a 'one size fits all' approach where users were expected to accommodate themselves to the services that existed. Our third way for social care moves the focus away from who provides the care, and places it firmly on the quality of services experienced by, and outcomes achieved for, individuals and their carers and families." (DOH, 1998).

The white paper also set out the need to put in place rigorous national standards and inspection through regional Care Standards Commissions, shape services around the needs of users and to join-up different public agencies delivering care (particularly between local authorities and the health sector). It also signalled the need for workforce reform, particularly by improving training and extending regulation to staff as well as providers.

Additionally, the third way approach was emphasised with a whole chapter dedicated to "Improving Partnerships", although at that time the majority of its focus was on partnerships between public bodies. More recent publications such as the Audit Commission, Social Services Inspectorate and Association of Directors of Social Services joint report on *Getting the Best from Best Value*, assume that all provision will be undertaken through the practice of commissioning, rather than through traditional direct provision (SSI, 2002).

Box 1: Commissioning – The Third Way to Privatisation

"Commissioning" is the practice of buying individual packages or block contracts of care from different care providers. Even if all care was 'commissioned' from in-house providers the move to commissioning crucially changes the way that services are organised and delivered. This is because commissioning requires some kind of organisational split between the those who *buy* and those who *provide* the service. This is what the Tories used to call a purchaser/provider split and it was the idea behind Compulsory Competitive Tendering and the internal market in the NHS, both of which Labour were pledged to abolish when they came to power, and are now effectively re-creating.

Commissioning therefore involves the 'marketisation' of public services and social services delivery. Even where only public providers are involved, they are forced to act 'as if' they in a market. In reality, the move to commissioning makes a mockery of the idea that New Labour are neutral on who provides the services because the implication of the policy is that all providers will eventually take on the essential characteristics of private providers in place of public service motivations and practices. Already, the move to commissioning means that a large and growing proportion of care is provided in the private sector.

In short 'commissioning' is a pathway to privatisation and it treats each service user as a consumer, rather than a citizen needing support.

The central themes of the 1998 document have been continued in more recent policy documents such as the June 2002 Department of Health document *Modernising Services to Transform Care*. This document summarised a series of inspections by the Social Services Inspectorate into how local councils are implementing the modernisation agenda. It documented a range of initiatives that marked successful implementation of modernisation and those elements of council policy that were deemed as not implementing the modernisation agenda. Interestingly one area where the report saw weaknesses was the failure of councils to sufficiently consider alternative (private sector) providers to in-house care provision (DoH, 2002).

One of the most important themes has been the drive to promote independence among individuals. It is often argued that many hospital admissions, particularly for the old and infirm, are avoidable and could be prevented through earlier (and less intrusive)

interventions. Likewise the argument that "people want to maintain their independence for as long as possible" has been used to promote a shift in the balance of policy away from residential care settings to care provision which allows people to stay in their own home for longer. This has been taken up in a range of Audit Commission reports (October 2002b; October 2002a; February 2002; January 2000).   Both of these arguments are clearly true, at least in a superficial sense.   Early interventions can prevent more costly interventions at a later date and that people will wish to retain their own independence for as long as possible is unsurprising.   However, the important question is whether policies are genuinely being applied to achieve these ends, or are there un-contentious statements being used as a cover for policies designed to cut costs or reduce the rate of cost increases. Further, the independence agenda needs to be set against considerations of whole-person care which includes the human need for social interaction.

Integrating Services for Older People, emphasises the importance of whole systems thinking, joining –up services and ensuring that there are no gaps between services. The report also emphasises the importance of placing increasing focus on intermediate care services which provide early intervention. This is in line with the new provisions of the Community Care (Delayed Discharges) Act which received Royal Assent in April (ODPM, 2002). The provisions of this legislation will make local authorities pay financial penalties for the failure to provide alternative accommodation for older people occupying hospital beds but who do not require hospital care.   The provision of rapid and responsive intermediate care is thus of even grater importance for cash strapped social services departments.

Box 2: Victoria Climbie Report - New Trends in Children's Services Reform

- o   Children's services have also come under the spotlight in the aftermath of the Victoria Climbie inquiry.   Interestingly the roots of the recommendations – from a judicial inquiry rather than government policy mean that there is a fundamentally different emphasis which arises from the report. The Laming report stresses:
- o   The need for experienced, well trained and professional staff.
- o   Differences in attitude toward service delivery between front-line social services staff with the former being more interested in the quality of care offered to individuals.
- o   Lord Lamming expressly criticised the response of some senior managers that they were primarily interested in strategic decisions rather than operational issues: "Those in senior positions carry, on behalf of society, responsibility for the quality, efficiency and effectiveness of local services…the chief executive of Brent Council…chose to describe himself as 'strategic' and to distance himself from the day-to-day realities…I find this an unacceptable state of affairs".
- o   The importance of finding effective working arrangements to minimise problems which might emerge from organisational boundaries.

3.7 Modernising Social Care – Reform in Practice

The modernisation policy framework has given rise to the following reforms 'on the ground' in many local authorities.

Commissioning

Most local authorities have or are moving to a commissioning approach to care provision where they buy care from a range of providers rather than providing it directly themselves. This is in response to the government's insistence that councils separate strategic policy making functions from operational service delivery responsibilities, which are to be delivered by a 'mixed economy' of care providers.

Residential Care Home Closure

The costs of meeting national care standards for residential care homes (such as the minimum size of rooms) meant that many local authorities and private providers closed their residential care homes. Some of these regulations have now been relaxed but the intervening period saw the eruption of a major crisis with a substantial reduction in national provision.

Increased use of Very Sheltered Housing

Local authorities are increasingly moving away from long-term residential homes to the use of very sheltered (VSH) care provision. This is in response to the government initiative to promote people's independence.

Increased use of home care

The use of very sheltered care provision is one part of a greater emphasis being placed on home care. Care in VSH facilities is usually provided through home care agencies which will not usually be based on site. Indeed several care agencies (local authority and private) may send staff to care for different service users at the same VSH facility. The promotion of the independence agenda also means that greater focus is being placed in the provision of home care at service users own homes.

Privatisation

A consequence of the whole modernisation agenda for social care is increasing privatisation. Local authority care home closure programmes, the move to greater commissioning rather than direct provision of services and use of home care rather than long-term residential care means that a large and increasing proportion of care is provided by private providers.

3.8 Conclusion

There is a very real debate about the motivations behind, and implications of, New Labour's reform agenda across all areas of public service. On the one-hand the government says that it is advancing progressive reform designed to lever up standards and make services more responsive to the needs of users. On the other hand, critics argue that this is merely a cover for cost-cutting, the privatisation of the welfare state and ultimately for a system of 'corporate welfare' which radically alters the beneficiaries of public spending in favour of business. Nowhere is this debate more starkly demonstrated than in social care. The next two chapters of this report test the two sides of the argument first against primary evidence collected through research with social workers in the survey authority and second against a range of other secondary literature.

4. Modernisation? The Evidence

4.1 Introduction

In April 2003, the Centre for Public Services undertook a survey of social workers in a major County authority. The survey addressed key issues of dissatisfaction among the social work workforce, which were themselves . Included among these was a series of questions designed to asses the extent to which the local implementation of the modernisation agenda was consistent with the key principles of the government's modernisation agenda. Essentially, it aimed at providing evidence to test the claims of both government and critics about the implications of the modernising policy framework to answer the basic overall question

4.2 Modernisation in the Authority – Enabling and Commissioning

The modernisation agenda is being applied to social services in the survey authority through a through the adoption of several commissioning strategies and plans which include elements common to the approach of many local authorities with social services responsibilities.

Overall the following themes are present which in some ways mirror the third way language of New Labour reform but also highlight the internal contradictions of the modernisation agenda.

The Approach to Modernisation

The commissioning strategies set out the following approach to services modernisation:

- A focus on integrated provision – encompassing all public agencies and partnership working involving "social services, education, housing, health, police and the voluntary sector".

- A focus on reducing bed blocking – for older peoples services through increasing intermediate care.

- Moving away from residential provision – in older peoples' and children's' services.

- Moving toward supported independence – through very sheltered housing, increased foster care and early (preventative) interventions.

- The equal treatment of in-house and private sector providers - in terms of commissioning provision.

- The use of Direct Payments – for adult services so individuals really can become separate consumers of private social services.

Approach to Managing the Care 'Market'

The commissioning strategies set out the following aspects of controlling or managing the local care market:

- A system of preferred providers who benefit from supplements to the normal hourly rate.

- Annual review of the per-hour payments.

- Setting out purchasing intentions in the Commissioning Strategies so that care providers can plan their provision to meet likely local authority demand.

Approach to Best Value and Performance Management

The approach to Best Value includes the following partially contradictory elements:

- An emphasis on quality not cost – the commissioning strategy for older people says that the emphasis of their approach to Best Value is on quality rather than cost.

- Performance Management and Cost Cutting – despite the statement about Best Value and quality, several documents cite a wide range of performance indicators in a way that suggests that simple cost-cutting indicates good performance. This also extends to service provision where reducing the amount of service provision to the average of the comparator group appears as success. There is no analysis of whether the comparator group average service provision or the cost of that delivery is in fact too low. This is a structural feature of the BV regime where authorities are supposed to always aim for top quartile performance and that is defined as for instance lower per-unit costs.

4.3 Does Commissioning Deliver Modernisation? – Voices from the Frontline

Testing the Four Key Principles

The results of the survey of social workers and published evidence from the documents and strategies allowed an analysis of the implementation of the commissioning strategy against the key principles of the modernisation agenda.

Performance Management, Standards and the Quality of Care

The approach set out in the Commissioning strategies shows that far from being concerned with the quality of service delivery, the implementation of performance management has more in common with the days of Compulsory Competitive Tendering. That is, performance is measured on the unit price of service delivery. This was supported by the views of social workers expressed in the survey responses:

"It [commissioning] places finance and performance indicators at the centre of care delivery. [For example] we are not meeting our pi's [regarding] intensive packages of care and make too many 'small packages' e.g. meals/1hr domiciliary [home] care/ 1hr laundry and 1 day care. We are told we need to reduce them in line with pi's [performance indicators] – where is the service user in this?"

> "I think these are cost cutting measures."

Best Value indicators for the proportion of the children or adults or older people who are 'looked after' or in residential care measure lower numbers as better. Authorities are expected to meet top quartile levels of performance which exacerbate the need to cut the amount of people in residential care, whether relevant to service quality or not. This criticism of narrow statistical performance management of complex tasks is common, and was a feature of the survey responses:

> "I am bullied to complete assessments and close cases that still require intervention in order to meet statistics."

> "[management are] Only interested in meeting performance indicators, not relationship with the public"
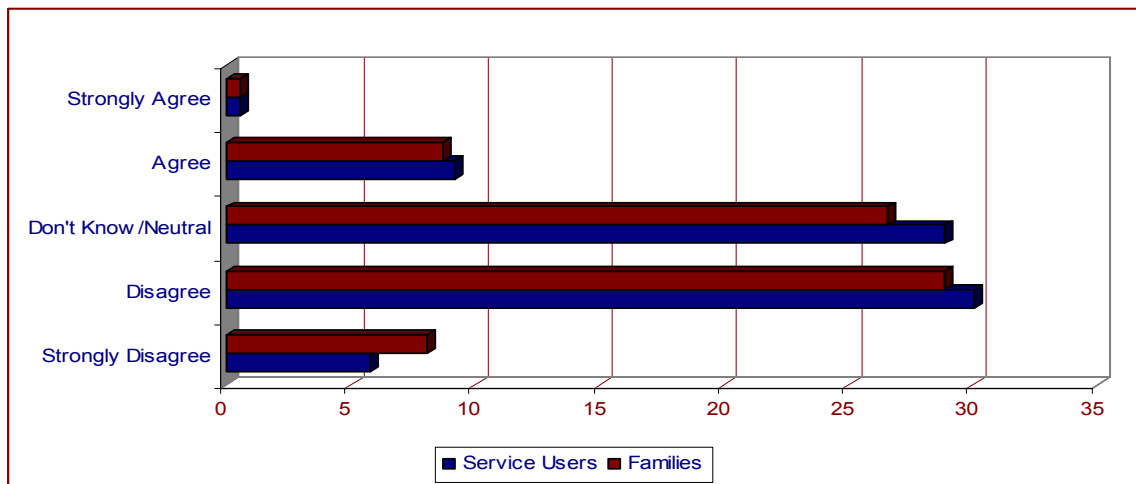
The survey results showed that professional social workers at the front line of service delivery do not perceive the commissioning approach as delivering better quality care. The message from the front line is clear - commissioning does not lead to service improvement:

> "[the] Commissioning strategy is driven by business notion, e.g. 'best value' – leads to poor services"

The survey also revealed that service users and their families are often less than satisfied with the quality of care on offer through the commissioning approach:

- More than 77% of social workers did not believe that key performance measures are an effective means of ensuring service quality.

- 36% of social workers reported that service users weren't generally happy about the care they received via the commissioning approach. Less than 10% said they were happy.

- 37% said that service users' families were not generally satisfied with the care received via the commissioning strategy. Again, less than 10% said that they were generally satisfied.

Figure 2: Service Users and their families are generally satisfied with the care they receive via the commissioning strategy?

Devolution of Power to Frontline Staff

The results of the focus group discussions with social workers and the survey show that this group of public service professionals are distinctly unimpressed with the 'freedom' offered them by the implementation of the commissioning strategy for social care:

> "The job is more about appeasing management and increasing bureaucracy rather than working directly with service users."

> "Social work is no longer a profession, it is little more than a device to control access to totally inadequate resources and to carry out the whims of management and politicians, both of whom go for the lowest common denominator."

A major theme was that they felt that the implementation of the commissioning strategy was leading to the de-professionalisation of their role. Many reported that they spent increasing amounts of time being 'care managers' and completing administrative tasks rather than dealing with service users. Importantly they felt that this was not only leading to low levels of job satisfaction and demoralisation but was also a waste of their professional skills and training.

> "The job is a treadmill, no satisfaction, all struggle to keep pace with changes, additions to computer system, additional work, the longer I do the job the less I feel I know, most social workers share this feeling."

- 85% of those that thought the commissioning strategy had impacted on the way they carried out their job, also thought that the impact has been negative.

- 66% thought that the commissioning strategy had led to a decrease in job satisfaction. Only 16% thought that this had not been the case.

- 67% thought that the commissioning strategy had led to the de-professionalisation of the role of social worker. Less than 4% disagreed with this view.

- 83.2% thought that the commissioning strategy had led to an increase in administrative tasks relative to other aspects of the social worker role. Only 1% disagreed.

- 67% said that they had experienced an increasing amount of management control over the last two years.

They also felt that they were being prevented from exercising their professional judgement because of the very limited number of care options open to them through the commissioning strategy. Many felt that this meant they were breaching professional ethics by recommending care packages that were unsuitable or inadequate:

> "Professional ethics are jeopardised every single day because the proper resources don't exist or you have to wait for months, even years."

> "Resources are limited and the high caseload often means clients do not receive appropriate care resulting in deterioration. We have no time to become involved in developing resources to meet changing need."

- 76% said that they had recommended care packages that they knew to be unsuitable for the service user because of a lack of alternatives.

- 72% thought that this was a breach of professional ethics.

- 19% said they were forced to recommend unsuitable care packages on a weekly

- basis. 36% said that they did this on a monthly basis.
- 64% thought that the commissioning strategy had effected their ability to recommend an appropriate care package.

One respondent suggested that they personally avoided this by recommending care packages that they thought would be suitable but that would be rejected by management because of their cost:

> "I still recommend what I believe to be necessary even if I know it will not be approved."

Social workers were particularly concerned that they recommended care packages that they knew would not be adequately implemented by private care providers operating at 'arms length'. The cause of this ranged from particular services being uneconomical to the low level of pay for staff meaning that staff were frequently unreliable.

> "[the] Services commissioned are mainly poor, unreliable and unprofessional."

> "[the] Care agencies can't get sufficient staff – people get paid more filling shelves in a supermarket!"

> "Within private care, there is no accountability. Carers do not turn up or turn up very late. Social Services are paying for care which service users are not receiving."

They suggested that this was a particular problem for home care in rural areas where the practice among private agencies of not paying travelling time, alongside the large travel-to-clients distance in rural areas meant that care workers frequently did not turn up. Vulnerable people were being left without even the basic level of care that social work professionals assessed them as needing.

> "Travel time, comes out of [the] service user's commissioned care."

> "It is increasingly difficult to find rural carers. Clients are being admitted to res[idential] care because no one will cover some rural areas."

Flexible Employment

The modernisation agenda stresses the importance of flexible employment patterns, although the emphasis is more on flexibility for the employer than the employee. This emphasis was borne out by the survey results which showed that social workers regularly work more than their contracted hours and that the number of hours and workload levels are increasing.

> "I feel that due to workload and pressure I am not working to my full potential as a social worker, and feel enslaved to a computer system to meet performance indicators."

- 76% said that they regularly work more than their contracted hours. More than 87% of these said that they worked between one and nine hours a week more than their contracted hours. More than 90% said that these hours were unpaid, although a small number said that they received Time Off In Lieu.

Over the last two years:

- 58% said that the number of hours they work each week had increased.

- 82% said that they had experienced an increasing workload.

Overall it would seem that the pain associated with the implementation of more flexible employment patterns is borne by staff rather than providing them with more family friendly working patterns or a more advantageous 'work-life balance'.

Placing the user at the Centre of Service Delivery

The survey findings showed that social workers do not feel that the commissioning strategy places service users at the heart of service delivery.

> "The commissioning strategy places cost at the centre of care delivery."

> "I feel the strategy is all about money and funding and not about the client. Every service has to be cut down to the very minimum required."

53% said that they did not feel that the commissioning strategy placed the user at the centre of delivery. Less than 5% said that it did.

There are a further two dimensions to this aspect of the modernisation agenda. The first is the promotion of choice for the service user. The use of direct payments to allow service users to commission their own care appears to promote choice. However, this choice is largely theoretical because the commissioning strategy limits the amount of options for care rather than promoting them:

> "Clients have little choice, they and social workers have to accept what, if anything, is available."

The Chancellor of the Exchequer has accepted this case with regard to healthcare:

> "The free market position which would lead us to privatised hospitals and some system of vouchers and extra payments for treatments – starts by viewing health care as akin to a commodity to be bought and sold like any other through the price mechanism.

> But in healthcare we know that the consumer is not sovereign: use of healthcare is unpredictable and can never by planned by the consumer in the way that, for example, weekly food consumption can... we know: that the ordinary market simply cannot function and because nobody can be sure whether they need medicinal treatment and if so when and what, individuals, families and entire societies will seek to insure themselves against the eventuality of being ill?" (Brown, February 2003).

The same argument holds true for social care. The very nature of requiring social care is that the service user is suffering some aspect of incapacity. Users will often lack the capacity to effectively commission their own social care. Moreover, as the results of the survey demonstrate, experienced and skilled professionals say that they often find it difficult to commission a suitable package of care for an individual service user, let alone vulnerable people at a time of difficulty. Despite the rhetoric, the effect of the commissioning approach is to restrict care options, not expand them:

> "[I am] having to use agencies which I am not happy with as no other available. Having to compromise hours to fit in with agencies/budget."

It will be all the more difficult for the individual to do so themselves. The likelihood is that instead of delivering higher quality and effective choice, this sort of arrangement will simply lead to a two-tier service where those able to 'top-up' the direct payment will be

able to afford higher quality and/or more quantities of care while those that cannot will be left with unreliable bargain basement services. This is far from most people's vision of a modernised welfare state.

The second dimension is that of plugging the gaps between services and joining-up different agencies and bodies. The survey results showed that social workers did not see the commissioning strategy as helping to join up service provision:

"Gaps have widened."

"The care services are now very numerous, chaotic and unintegrated."

Less than 5% said that the commissioning strategy helped to join up gaps between different agencies, care providers and levels and types of care. More than 40% said that it did not.

4.4 Commissioning – The Pathway to Privatisation

The government argues that the promotion of neutrality in who delivers services will lead to a 'mixed economy' of service providers from the public, private, voluntary and community sectors. Critics have suggested that commissioning and competitive procurement (Audit Commission, 2002) favours the private sector because it is based on price competition. In such a context the private sector will always be cheaper while it is free from national pay bargaining and quality structures. The result of the commissioning strategy, will be increasing privatisation rather than a 'mixed economy'.

Until 1993 Local Authorities were not allowed to pay for people requiring residential care to be cared for in the private sector. By 1997, when the new Labour government was elected 75% of residential care had been transferred to the private sector and by 2003 this proportion had increased still further, to 88% (Department of Health, 2003). In 1997 the proportion of Local Authority funded home care provided by the private sector was 42%. By 2003 this had increased to 66%. In the survey authority during 2003 nearly 93% of home care provision funded by the local authority and 86% of local authority funded residential care was provided by the private sector (Department of Health, 2003a).

It is clear then that the commissioning strategy is leading to increasing privatisation in home care. This is likely also to be the case in residential care, especially for older peoples services, where the council has initiated a major residential home closure programme.

4.5 The Importance of *Who* Provides the Service

The Government claims that what matters is what works, not who provides the service.

The survey included questions to test the relationship between what works and who provides. It asked social workers to rate their perception of service quality between in-house, private preferred and private non-preferred providers across a range of categories from reliability to staff training and experience and value for money. The questions were asked about both home care and residential care.

The findings show that in the minds of social workers there is a clear connection between who provides the service and the quality of that service. A particular cause of this were the different values that motivate the public and private sector:

"Generally the profit motive dominates [in the private sector]"

"Independent / private care providers are profit making whereas the county council is not."

In general the in-house service was rated more highly than either preferred or non-preferred private providers. The table below sets out the average answers to the statements which are arranged in the left hand column for each provider and each criteria.

Figure 3: Evaluating the Quality of Service Provision

	In-House	Private Preferred	Private Non-Preferred
Home Care			
The service is consistent	Agree	Disagree	Disagree
The service is reliable	Agree	Disagree	Disagree
Staff are appropriately experienced	Agree	Disagree	Disagree
Staff are appropriately trained	Agree	Disagree	Disagree
The service represents value for money	Agree	Disagree	Disagree
Residential Care			
The service is consistent	Don't Know / Neutral	Don't Know / Neutral	Don't Know / Neutral
The service is reliable	Agree	Don't Know / Neutral	Don't Know / Neutral
Staff are appropriately experienced	Agree	Don't Know / Neutral	Don't Know / Neutral
Staff are appropriately trained	Don't Know / Neutral	Don't Know / Neutral	Don't Know / Neutral
The service represents value for money	Don't Know / Neutral	Don't Know / Neutral	Don't Know / Neutral

4.6 Cost Cutting or Best Value?

The survey asked a question which allowed social workers to select the motivation(s) that they believed were behind the introduction of the commissioning strategy for social care. They were given four options: cost cutting, improving service delivery, improving the choice of care options available and placing service users at the centre of the

delivery model. They were allowed to choose as many options as they felt were relevant. The majority felt that the prime motivation behind the introduction of the commissioning strategy was simply to reduce cost. The other options available are all related to the rhetoric of the modernisation agenda generally and Best Value specifically. None of these answers gained a significant number of responses as Chart x demonstrates.

Figure 4: Which factors do you feel lay behind the commissioning strategy?
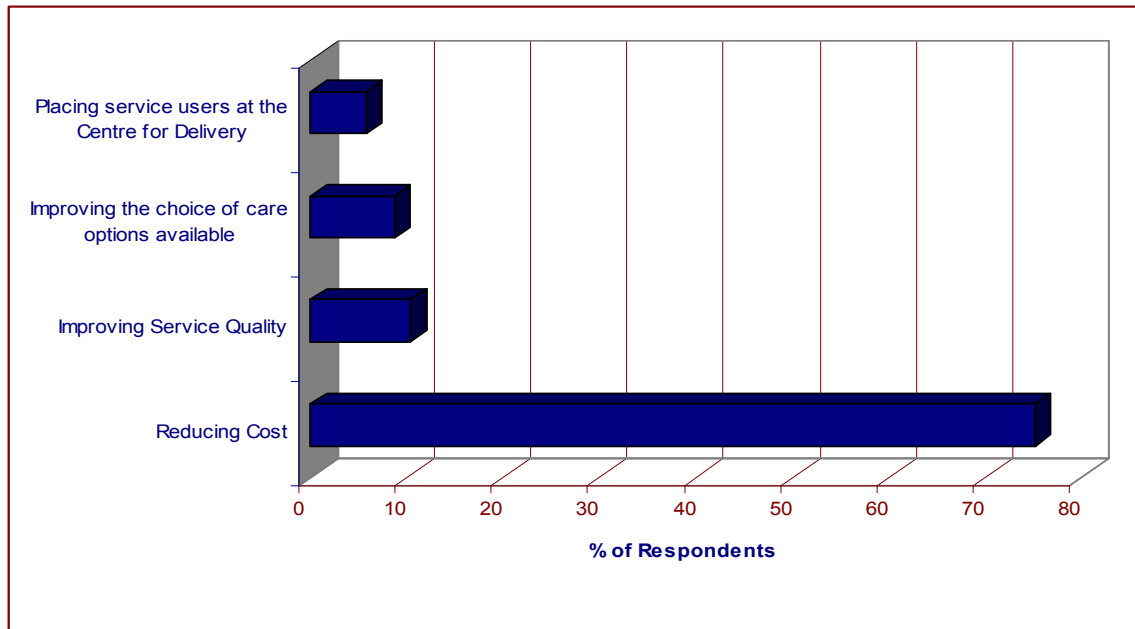
So while the government suggests that Best Value should balance cost and quality issues, social workers reported that costs predominated at the expense of quality and the public sector ethos:

> "[Best Value is] Completely driven by finance and business ethos – values and core delivery comes a very poor second place."

4.7 Cost Cutting and The Recruitment and Retention Crisis

The issue of costs is relevant also to staffing. One of the most striking themes emerging from discussions with social workers and the survey results was that the survey authority was facing a major recruitment and retention crisis. The survey revealed a picture of poor levels of job satisfaction and high levels of stress. Social workers had witnessed increasing levels of absenteeism because of sickness and staff shortages.

> "Working on 30% of staff due to absenteeism through illness (stress related) cannot employ or keep agency staff."

All this culminated in a large number of social workers reporting that they had considered leaving over the last year:

- 81% of social workers had considered leaving their job over the last year.

- 81% had experienced declining job satisfaction over the last two years.

- 82% had experienced increasing workloads over the last two years.

- 67% had experienced increasing amounts of workplace stress over the last year.

- 85% had experienced increasing recruitment and retention difficulties.

- 70% had witnessed increasing rates of absenteeism because staff or on sick leave.

- 44% thought that staffing levels had declined over the last year and were inadequate. Less than 10% said that staffing levels were adequate.

The introduction of the commissioning strategy and its associated effects was one reason why staff were leaving:

> "People have left due to the commissioning strategy – not what they came into social work for."

The effects of the commissioning strategy straddled a range of other reasons why social workers were considering leaving because of its causal relationship to declining job satisfaction, increasing workload and workplace stress (Centre for Public Services, 2003a).

Figure 5: Reasons for Social Workers Considering Leaving

Reason for wanting to leave	Number	% of Respondents
Feeling undervalued	116	67.1%
Lack of resources	114	65.9%
Workload	112	64.7%
Job too stressful	94	54.3%
Management attitude	94	54.3%
Changes to professional role have undermined the reason for taking up social work in the first place	91	52.6%
Staff shortages	88	50.9%
Having to compromise care standards	87	50.3%
Having to compromise care standards because of commissioning strategy	78	45.1%
Pay	52	30.1%
Public perception of social workers	38	22.0%
I just want a change of job	16	9.2%

4.8 Conclusions – Modernisation or Privatisation and Cost Cutting?

The evidence from the front line of social care suggests that modernisation by commissioning does not meet the rhetorical claims that the government makes for the modernisation agenda. The commissioning strategy, which is an essential element of the government's recommended divorce between strategy and delivery is causing particular concern among social workers. Indeed it was this concern that led to the initiation of the study in the first place.

5. Secondary Evidence on Modernisation

5.1 Introduction

The plight of low paid staff as a result of privatisation has been a major theme in many recent studies. Care workers in particular have borne the cost of privatisation and market competition. Throughout the 1980s and 90s the creeping impact of increasing commercialisation on social and community care was the subject of research and comment (Services to Communities and Trade Unions, 1984; NUPE, 1992; Escott and Whitfield 1995). More recently the topic has generated attention from the newspaper journalist Polly Toynbee and 'fair/living wages' campaigners.

5.2 The History of Privatisation and Care Work

Community care was not within the remit of the Conservative Compulsory Competitive Tendering legislation of the 1980s and 1990s. Instead it fell under NHS reform legislation in the Community Care Act (1990). While less onerous than CCT, the legislation did introduce the purchaser/provider split in community care for local authorities. Research funded by the Equal opportunities Commission in the mid 1990s showed that the impact of the legislation was that local councils were transferring care provision to the private sector, contracting-out individual services, closure of residential homes and the sale of homes to the private sector. The research also showed that these changes were impacting on the employment structures of care workers as private providers began to compete with the public sector on price (Escott and Whitfield, 1995).

5.3 The Secondary Evidence

Terms and Conditions in the West Midlands

A report commissioned from the Centre for Public Services by West Midlands UNISON, considered the terms and conditions of residential care staff employed by the local authority and those employed in the private sector. It found evidence of the so called 'two-tier' workforce, which results from the privatisation of public services where care staff are transferred to the private sector with limited protection of their terms and conditions but new staff have no such protection. Colleagues working alongside one another and doing the same job can thus be on two different sets of terms and conditions. However, the report found that there were at least three discernible staff groups all with different terms and conditions:

- Local authority staff.

- Privately employed staff who transferred under TUPE.

- Privately employed staff with no TUPE protection.

- The report examined the different terms and conditions of employment for these three groups and found that pay could vary by as much as 62%.

Figure 6: Gross Earnings of Comparator Staff and Example Working Weeks

Example shift patterns		TUPE Staff	Private Non-TUPE	Local Authority Directly Employed	% Difference Local authority and Private
1		£200.25 + undefined increment for weekend	£165.55 (£178.50*)	£224.73	33.75% (25.89%)
2			£210.90 (£222.00*)	£295.26	40% (33%)
3			£181.10	£271.92	50.15%
4			£166.35 (£184.85*)	£269.05	61.74% (45.55%)

Source: Centre for Public Services (2003). * Figure where local market supplement applies

The report also documented the attempts of the private provider to 'harmonise' the pay and terms and conditions of TUPE staff with the rest of their workforce, a process involving year on year pay cuts and the surrender of holiday entitlement by the TUPE staff.

The Stoke-on-Trent and Staffordshire Care Labour Market

Stoke-on-Trent City Council and Staffordshire County Council jointly commissioned research from researchers from the Nuffield Institute for Health to consider the local care labour market. The researchers found serious problems with recruitment and retention to social care providers in the locality. These difficulties were experienced by both in-house and independent / private sector providers although the researchers commented that this was much less severe for in-house providers. The researchers highlighted the following causal factors for the problem generally and the different experiences of in-house and independent / private providers:

- Pay was insufficient to attract staff – the researchers found a consensus that the levels of pay alone were insufficient to attract and retain good quality staff. It was generally commented upon that the rate of pay relative to the difficulty, complexity and responsibility of the work was a particular problem, especially in relation to other alternative employment opportunities in the local economy:

  "The growth of the retail sector means that people can do much less demanding work for the same remuneration. The people who are in care work tend to move between providers. We lose people to the in-house service which offers better pay and conditions; the in-house service loses people to the NHS" Independent Sector Provider (quoted in Henwood and Waddington, 2002).

  "…it has to be more than just a job – they are not doing it for the money; there are easier ways to earn a living" In-house manager Staffordshire County Council (quoted in Henwood and Waddington, 2002).

- The in-house staff were older, more experienced and tended also to be more committed to the job.

- General commitment to delivering quality care – staff in both sectors enjoyed their work and believed that they were doing socially necessary and valuable work.

- However, many staff commented that they felt under-trained – particularly given the complexity of the work that they were being asked to undertake, even where they enjoyed the added responsibility. Staff in the independent / private sector also said that they were not reimbursed for attending training courses.

- Split shifts, casual, unpredictable and anti-social hours and poor terms and conditions– caused particular problems for staff in the independent sector. This appeared to undermine the motivation of staff to work in the sector.

The report drew attention to the views of care workers themselves on these issues. Some of the responses received from care workers are included in the box below:

Box 3: Care Workers Responses to Henwood and Waddington

"I feel that care work is underpaid and care workers are treated badly. In a less demanding position with less responsibility we would get sick pay and maternity pay…we should be recognised and paid accordingly"

"I have seen the service change from care that provided mainly domestic services with hours of work that fitted in well with children's school hours, to a job where the goal posts have been constantly moved and where staff have been told to either fit in or find work elsewhere…although we enjoy the work far greater now, with the added responsibility of client welfare … we feel sometimes very undervalued"

"I have a 30 hour a week band. Some weeks I am not given my hours, then you have to telephone in every day for work. If no home care is available you are offered day care two bus rides away…if you refuse day care you lose your pay"

"I think that the main problem with staff turnover is that hours of work are not guaranteed. I have personally experienced on many occasions the situation where clients no longer require our services …leading to greatly reduced wages"

Henwood and Waddington 2002.

Living Wages and Care Workers

A study commissioned by UNISON into the effects of low pay revealed further evidence of the impact of the modernisation agenda on the social care labour market but also through this on the quality of care delivered. The study some evidence of differential pay and terms and conditions for care staff employed by local authorities and private providers. However, it also local authority staff were poorly paid and worked long hours. The report also noted the changing effects of service delivery models on the quality of care provided:

"More staff effort is now focused on physical issues and ensuring that those cared for are kept clean and well fed. This may well reduce the time available for getting to know those cared for or for listening to them. Shorter period in the job mean less chance to build up relationships with those cared for, with visiting relatives or with work colleagues. There are some changes to quality of life stemming from the selling of gardens and open spaces adjacent to homes by owners who acquired

the properties from East Sussex County Council and who now wish to realise part of their capital value. There also seem to have been adverse effects on the amount and quality of staff training (as was indicated by the survey findings) whereas previously in-service training opportunities were good. Employers, who are often the owners of the homes, are keen to have positions filled, often by employees from overseas, without too much concern with qualifications and experience…

In the view of the informant one striking effect of these changes in combination was an increase in bedsores among the bedridden. In her view this very painful condition is a key indicator of the quality of care and the condition simply should not occur." (Ambrose, May 2003).

The study thus concurred with the research of Henwood and Waddington, that care through 'modernised' service delivery models, which rely on a purchaser/provider separation undermine the role of caring for the whole person in favour of narrower 'task-based' care.

5.3 Conclusions

The secondary evidence available shows that some of the concerns voiced by social workers in the survey authority are more widely held, particularly around the effects of privatisation and commissioning approaches on the employment of vulnerable care staff. Both sets of evidence suggest that the pay and terms and conditions of care workers is not only an industrial relations issue. It is an issue also for service quality.

6. An Agenda for Alternative Modernisation

6.1 The Importance of Social Care Modernisation

Social Services offer care to some of the most vulnerable people in our society. Decades of reductions in public service budgets and increasing flexibility and competitiveness in the labour market mean that there is a large minority of adults who require intervention from social care agencies. The stresses of modern life and enduring poverty mean that families are often under immense pressure and support from social services is fundamental in many cases in preventing familial breakdown. The social inclusion and equalities agenda demands that those with learning disabilities receive the attention that they require to enable them to participate fully in society and the labour market.

The nation is also faced with the challenge of dealing with an ageing population. Demographic and social change mean that society will need to find new, modern ways of discharging its collective responsibilities to older people. This is the generation who created and paid for the welfare state, fought and suffered in the Second World War to preserve our freedom, and manned the heavy industries that retained the position of the UK as a leading industrial nation in the post-war period. It would be cruelly ironic if the very same people who have given their lives to erecting and developing the welfare state were to be cast out of it when their time to rely on it has come. It is incumbent upon society to rise to the challenges posed by the ageing population in a creative, innovative and most of all, socially responsible way.

All this means that social services are vital for the creation and maintenance of sustainable communities. 'Modernisation' by privatisation, based on cost-cutting and undermining the welfare state will not equip the country to care for the vulnerable, support families and children or older people. It is the job of politicians not merely to respond to the agenda that drives ceaseless efficiency drives and cost-cutting initiatives but to focus the attention of the public on the issues that should be confronted: delivering quality care services to those that need them. It is important that politicians and the public: the worker, the user and the tax payer come together in support of genuine modernisation to enable social services to extend the type of care that each of us would wish for ourselves and loved-ones.

6.2 The Five Point Plan for Public Sector Reform

Decades of hostile reform have often equated 'public' with second best. It is time to move away from this simplistic and outdated agenda and to develop a public sector

reform agenda aimed at achieving a vision of the truly modern welfare state. This should be based on five key policy agendas:

- Public Investment

- New Public Management

- Equality and Social Justice

- Democracy and Participatory Citizenship

- Sustainable Development

Public Investment

Current requirements and expectations for continual savings should be abandoned immediately.

Reform requires investment. The New Labour government has accepted and made the case for additional investment in public services. However, the way that it is organising public spending – through endless privatisation of service delivery and financed through the Private Finance Initiative – the benefits of that public spending are increasingly being reaped by private sector contractors. A new PUBLIC investment strategy is needed.

The government should end its preoccupation with commissioning, PFI and other privatisation policies.

It should instead:

- Replace the Council Tax with a local income tax.

- Give public bodies freedom to borrow within broad limits set by government.

- Adopt the General Government Financial Deficit (GGFD) in line with European practice.

- Examine the potential for bonds and other means of increasing the scope of public investment.

- Local authorities and other public bodies should also be encouraged to sell underused or unwanted assets such as land and property and be able to spend 100% of proceeds after debt repayments.

All this would help to rejuvenate local public service provision. However, public increased public investment would require a number of measures to release the necessary funding. This could be achieved through the following measures:

- Amending the golden rule - Amending the Chancellor's 'golden rule' to reflect the reality that most advanced economies can easily cope with a slightly higher rate of borrowing (see Figure 1and Figure 8). By amending the golden rule to allow public debt to rise to 45% of GDP an extra £68 would be released for public investment.

- Terminating PFI - The Government currently spends more than £6bn each year on servicing PFI debts. The interest rate for PFI loans is typically around 3-4% higher than the rate at which the government can borrow.

- The Fiscal benefits of Regeneration and New Public Management – the new public management approach set out below would mean that the regeneration potential of public investment would be targeted at areas of social need, helping to create more

and better quality jobs, lower spending on welfare benefits and increasing tax revenues.

Taken together, amending the Golden Rule and terminating PFI would not actually mean borrowing more money. PFI simply masks the real level of borrowing faced by the state by keeping it 'off balance sheet'. Placing public finances on balance sheet in this way would improve transparency and generate greater credibility about the state of public finances.

Figure 7: General Government Debt as a % of GDP in Selected EU Countries (2003)

	2003		2003
EU (25 countries)	62.1$^{A (r)}$	Lithuania	21.9
EU (15 countries)	64.2$^{A (r)}$	Portugal	59.4
Euro-zone	70.6	Slovenia	27.1
Euro-zone (12 countries)	70.6$^{A (r)}$	Slovakia	42.8
Belgium	100.5$^{A (r)}$	Finland	45.3
Germany	64.2	Sweden	51.8
Estonia	5.8	United Kingdom	39.8
Spain	50.8	Canada	75.5
France	63.7$^{A (r)}$	Japan	154.7
Italy	106.2	United States	63.1

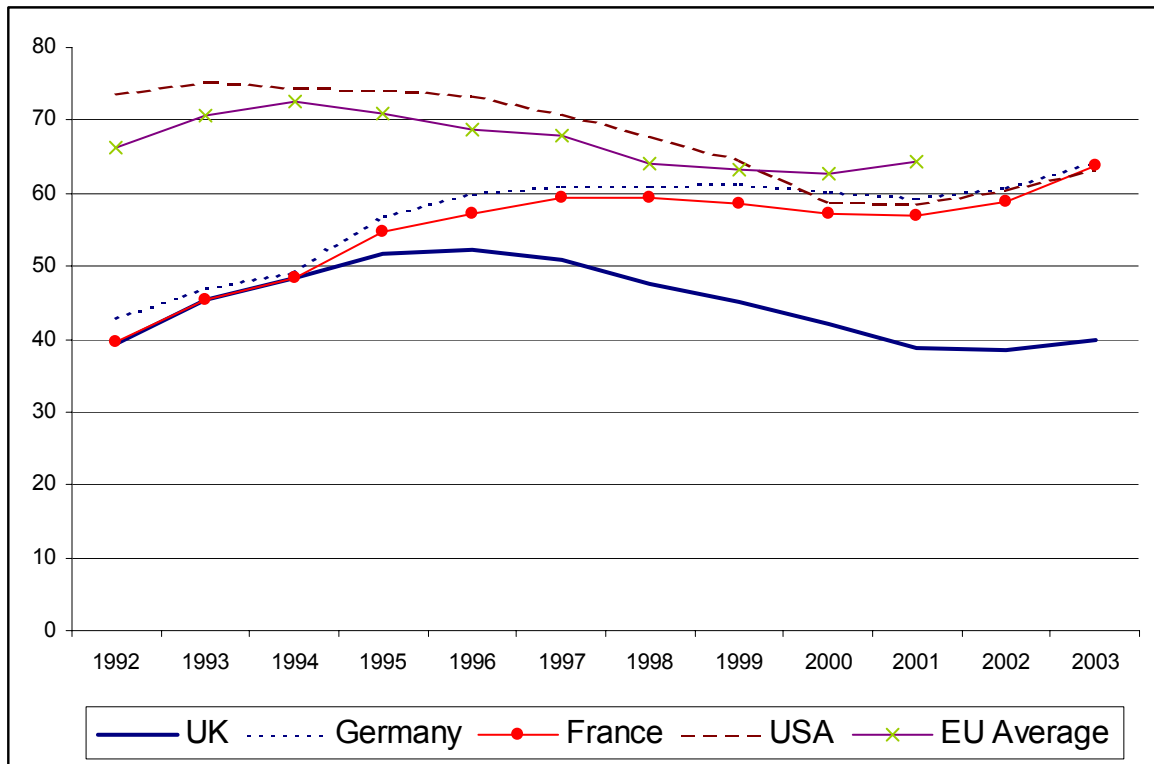**Figure 8: Government Debt as a % of GDP in UK and Selected Countries (1992-2003)**

Figure 9: GDP per Capita as a % of the EU (25) Average in PPS

	2003	2004	2005
EU (15 countries)	109.6[Â (†)]	109.4[Â (†)]	109.1[Â (†)]
Euro-zone	107.2[Â (†)]	106.8[Â (†)]	106.5[Â (†)]
Germany	108.5[Â (†)]	108.0[Â (†)]	107.3[Â (†)]
France	113.9[Â (†)]	113.4[Â (†)]	113.2[Â (†)]
United Kingdom	119.4[Â (†)]	120.7[Â (†)]	120.8[Â (†)]
Japan	119.2[Â (†)]	120.4[Â (†)]	120.2[Â (†)]
United States	160.8[Â (†)]	162.0[Â (†)]	161.5[Â (†)]

The New Public Management

Privatisation and Commissioning should be gradually phased out in favour of public provision, based on the New Public Management approach consisting of:

- Planning, impact assessment and performance management.
- Realising the regeneration potential of public spending.
- Partnership working.
- Staff Development.

Planning, Impact Assessment and Performance Management

The New Public Management would be based on an integrated system of social needs analysis, identifying the likely impact of policies on a range of groups BEFORE they are implemented and a reflexive performance management system determined by local, not national, priorities. Social needs analysis would be reliant on community engagement and genuinely participatory. Impact assessment should incorporate the likely impact in terms of equalities, the environment, the economy and social priorities. Where negative or adverse impact is demonstrated, mitigating action could be taken or the proposed policy fundamentally revised. Performance management would be slimmed down, be transparent and aid the democratic process rather than obscuring lines of accountability as is currently the case.

Realising the Regeneration Potential of Public Spending

The procurement of goods and services by the public sector could provide a major boost to the rest of the economy. It could be used to create jobs, spending and virtuous circles of growth and investment. Taken together, education, health and social work is the largest employer sector in any local/regional economy. As such changes in social care employment, will disproportionately effect the local and regional labour markets and economy.

Social care itself is a major economic sector. Research carried out for the Centre for Public Services for the Department of Health showed that in the East of England employment in social care and induced from spending in the supply chain and induced by the spending of social care staff made up around 1-2% of all employment, demonstrating significant leverage in social care alone (Centre for Public Services,

The Centre for Public Services (Centre for Public Services, 2003c) has published several reports which demonstrate evidence of the potential benefits of taking into account the regeneration and economic benefits of spending and employment by the public sector.

By realising these benefits the economy would receive a major boost through job creation, lowering spending on welfare benefits and increasing tax revenues.

Partnership Working

Partnership working needs to encompass:

- The community
- Service users
- Staff
- Management
- Elected representatives
- A broad range of relevant public bodies responsible for planning and delivering public services.

It is imperative that the broader community is involved in the planning, design and scrutiny of local public spending and service delivery. Strengthening accountability will require building the capacity of all to undertake this vital role which should be promoted as an essential element of modern citizenship.

Most staff and elected members also use public services. The presentation of public service reform as having to overcome staff opposition is often false and created by the presentation of privatisation as 'reform'. New partnerships between staff, service users and elected members need to develop policies together, appreciating the interests and motivations of each individual group. Staff need to welcome change but they will not do so while change means an attack on their employment and livelihoods.

Partnerships need also to encompass a wide range of public bodies responsible for planning and delivering public services.

Staff Development – the Key Resource

The government's rhetoric accompanying the modernisation agenda suggests that it is important that staff at the frontline of service delivery are listened to and given the freedom to deliver services to high standards. The entire social care team are vital for the delivery of these key services. This report has shown how they are speaking out against the reforms associated with the government's modernisation agenda. They feel that they are being de-skilled and that their vital role in offering support to vulnerable people is being replaced by bureaucratic care 'management' tasks which arise from the commissioning approach. Rather than staff development this is demoralising. The county's social worker labour force is at crisis point with no immediate prospect of improvement in the recruitment and retention problems facing the council.

Instead this should be replaced with a comprehensive staff development strategy to improve the quality of care provided and to increase the capacity of Local Authorities to deliver continuous service improvement over the longer term.

A key aspect of this agenda is justice in the pay of all staff. Minimum wages, set at a living level, should be paid to all staff, including those employed at arms length, by contractors or other bodies whose functions are supported by the public sector. Contract prices and hourly rates should be adjusted accordingly.

Democracy, Accountability and Participatory Citizenship

Delivering social care via commissioning undermines local democracy by placing service delivery at arms length from our elected representatives. More and more services and public spending falls under the shroud of 'commercial confidentiality' clauses. The high profile campaigns against the closure of residential homes for older people across the country display the popular feeling in support of social care services. There is a real danger that already disadvantaged and disillusioned communities will feel increasingly disempowered by public service reforms motivated by privatisation and cost-cutting.

There have been well publicised examples of community dislocation and violence generated by disempowerment and disillusionment with the political system which appears distant and unresponsive. There are those that will and have sought to manipulate these feelings for their own backward and dangerous agendas. It is important that these anti-democratic forces are not allowed to utilise this campaigning ground. If people do not feel they have been listened to or that vital public services are beyond democratic control they will increasingly be drawn to extremist explanations for their lack of power.

It is also increasingly accepted that better quality decisions and governance will result from those that are effected by them being involved in the decision making process. This can be achieved by:

- Service users, their families and advocacy groups being represented on the governance boards of residential care facilities.

- Service users, their families and advocacy groups being represented on Social Services Committees as advisory members.

- Service users, their families and advocacy groups should also be regularly consulted about the performance of care delivery and changes in policy and practice.

- Care assessments and reviews should be explained clearly to service users and their families.

- Families and Service Users should be given access to independent advice from support and advocacy groups. This should be mandatory where service users have low levels of familial support.

- Support and advocacy groups should be given training and resources to boost their capacity to fulfil these roles.

- Detailed information about governance arrangements, decision making, standards, performance management and complaints procedures should be made available to all service users, in all residential facilities and in information distributed annually with Council Tax information.

- Devolution of investment and planning functions, within a clear and universal local structure, to local area committees which would scrutinise local service delivery.

- Resources made available to local area committees to build local capacity to hold services to account.

Equality and Social Justice

The current statutory framework for equalities is piecemeal, fractured and confusing. The mixture of statutory public duties and voluntary guidelines should be replaced by a

Single Equalities Act which would compliment the Government's plans for a single Commission for Equality and Human Rights. The Single Equalities Act should go beyond current public duties and impose obligations on public bodies to:

- Assess the impact of their policies on key equalities groups.

- Where adverse impact is identified, take mitigating action or revise the policy.

- Incorporate a wide range of named equalities groups including

  o Persons of different racial groups, age, religious belief, political opinion, marital status or sexual orientation.

  o Men and women.

  o Persons with a disability and persons without.

  o Persons with dependents and persons without.

  o Persons of different social status and with different levels of income.

- The extension of these requirements to all public functions to avoid ambiguity of whether contractors and third parties are included.

- Promote and build the capacity of communities and equality groups to engage and participate in the policy process.

A radical focus on promoting equality through public policy would help to reduce the demand for responsive services in the long-term. Moving from an approach based on fire-fighting the results of inequality to planning for equality should be the central plank of policies. As such promoting equality should be written in to the constitution of local authorities and the terms of reference of all committees, departments and delivery organisations.

For Social Care this means that services must take full regard of the equalities profile and social needs of the local population and services should be planned accordingly.

Sustainable Development

Dominant understandings of sustainable development encompass limited conceptions of social justice. These concerns are dealt with in much more comprehensively above. Sustainable development should then encompass the following concerns:

- Improving community well-being and public health - by taking account of the effect of health and social care policies and resource allocation on production, supply and employment in the local and regional economy.

- Sustainable Development at the centre - Ensuring health and social care organisations have the capacity, skills and intellectual capital to deliver good quality and sustainable services. Funding and performance management regimes should provide continuity, security and facilitate long-term planning.

- Well being and fair shares - Promoting positive health and well-being, tackling inequalities in health, the equitable distribution of health and social care resources and recognising the needs of all equalities groups in regeneration and development plans.

- Good Governance - Enhancing democratic accountability including improving forms of accountability, transparency, access and freedom of information and encouraging

user, community and staff participation in the planning, design and delivery of health and social care.

- Polluter Pays - Taking account of the direct and indirect social, economic and environmental costs and benefits in the planning, building and procurement of goods and services based on recycling and resource minimisation strategies.

- Adopting a precautionary approach - Integrating health and social care planning and provision with housing, education, commercial, social facilities and employment in the regeneration and growth of the region and undertaking comprehensive impact and risk assessments for all development.

- Valuing Nature - Valuing natural resources and taking account of environmental and ecological issues in health and social care planning and development, including mainstreaming concerns for the well-being of future generations.

This general framework should be applied to social care, for instance in:

- Service provision.
- Employing staff.
- Buying goods, services, food, energy, travel and transport.
- Building and maintaining social care facilities.
- Managing and capacity building.
- Planning and assessing impact.

6.3 Key Demands for Government

This agenda leads to the following key demands for central government:

- Terminate Tory reform agendas based on cost-cutting, privatisation of the welfare state and corporate welfare.

- End the focus in the standards and inspection regime on enabling, and commissioning. The evidence in this report shows that they do not work.

- Engage in a major consultation exercise with social care professionals and workers who deliver social services. They know the issues and they know what needs to change.

- Promote genuine service improvement, democratisation and increased public investment as the key principles of reform.

7. Conclusions

Taken as a whole the responses of social workers indicate a distinct lack of belief in the rhetoric behind the modernisation agenda. They felt that cost was primarily behind the implementation of 'modernisation' rather than service improvement. They were also scathing about the government's approach to performance management, regarding the swathe of statistical performance indicators and inspection regimes as a distraction from the core business of service delivery rather than an aid to 'continual service improvement'.

> "The focus has changed from helping people to meeting targets etc and the humanity has got lost somewhere in the middle."

In sum the evidence from the frontline of modernisation is that the government's modernisation agenda has serious weaknesses and internal contradictions. It appears on balance to be more of a continuation of Conservative privatisation than it is a radical manifestation of social democracy.

Many of the points raised by social workers highlighted structural problems in the system and reform agenda. Most social workers did not feel that privatisation was leading to poor quality because private providers were bad people. Rather they were critical of the market context in which the services were being provided. The overall structure of the commissioning approach was the target for criticism, not individual firms, managers or staff. This is important in contextualising some of the high profile failures of social care systems. It was clear that many social workers included in the research felt that the system was at breaking point and root and branch reform of the principles that underlie service delivery models had to be undertaken. Mere technical reform or reform for reform's sake would not do.

These conclusions should not be surprising. It has been accepted wisdom in most social democratic states since the early part of the 20th Century. The creation of the welfare state was in part motivated by a response to precisely the same market failures that are re-emerging as the welfare state is being deconstructed and marketised.

Nor is this argument wholly rejected from within government. The Chancellor Gordon Brown has made it clear that even he sees some areas, such as health care, as beyond the rightful scope of the market. The evidence presented in this report suggests that the same argument needs to be extended to social care.

Tony Blair has said:

> "…we want to hear from you, what else we can do to allow you and your staff to do your job better" (March 2002).

In this report, a key group of public service professionals have spoken out. They have voiced their dissatisfaction with the modernisation agenda for public service reform, from

the point of view of service quality and their own job satisfaction. None of the social workers we spoke to in focus groups nor any of the replies we received in the survey appeared to be motivated by sectional self interest or party politics. They were concerned with 'what works' and they said that modernisation through commissioning – the marketisation of public services – does not work.

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