

HOMEcare

**Best Value?**

The Case  
Against Privatisation

December 2001

Researched by:

The Centre for Public Services

Published By:

UNISON Wakefield

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# Foreword



It is said that a community should be judged by the way it cares for its elderly. Over the past three years Wakefield Council has with the support of UNISON sought to deliver a Home Care Service of which this community can be proud. Inspectors have recently praised it as a high quality service delivered by well-motivated and trained staff. They have however criticised the cost of the services and are set to recommend large-scale privatisation of the service.

We believe this will lead to deterioration in the service provided in Wakefield. This pamphlet produced by the independent think-tank, **The Centre for Public Services** sets out the case for maintaining a Home Care service run directly by the Council. It is a compelling case drawing on the latest research and experience of other councils to demonstrate that privatisation has led to an unacceptable decline in the pay and conditions of workers and the quality of service provided to our most vulnerable citizens.

The Government says it is committed to a community care agenda that allows people to remain living in their own homes. Home care workers are vital to the success of that plan. Yet in Wakefield we are already seeing the emergence of a two-tier service with the private sector providers paying their workers less and failing to invest in training and development.

We are convinced that people of Wakefield are opposed to cutting corners on care for the elderly. Council Leader Peter Box states that Wakefield is a "listening council". The case against the privatisation of Home Care is overwhelming and we hope that after reading this pamphlet you will join us in urging Wakefield Council to maintain its commitment to a directly provided service.

**Wakefield UNISON Branch Committee**

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# Executive Summary

## The importance of the in-house service

The care of elderly people in Wakefield is a crucial public service. This report argues that the majority of support and care should continue to be provided by the local authority and should be the central element of Wakefield's care strategy.

Wakefield has restructured its home care provision over the past three years, creating a high quality in-house service providing 24 hour cover, seven days a week. Staff are highly trained and experienced with a strong commitment to public provision of home care services within the local community.

Future changes must focus on the quality of care. UNISON fears that the Joint Review inspection's prime focus will be to reduce costs and achieve savings. The bulk of any savings made will come from reducing the wages and conditions of staff who currently deliver the service for the council. The local authority is already seeking to reduce funding by imposing a £250 a week ceiling on the cost of home care services to clients.

## Best Value Review

- The council conducted a comprehensive Best Value review of home care in 2000 and produced a set of improvement targets, which include plans to add value to a service which is already recognised as excellent by users.
- The Joint Review Inspection should build on the continuous improvement plan developed from the Best Value review. It should fully involve service users and families, staff and trade unions prior to any decisions being made to alter the strategic direction of the service.
- User rights under the Best Value guidance and Local Government Act 1999 will be broken if proposals to reduce costs and increase dependency on the private sector are made without full consultation with service users and their families.

- Future options need to look at accurate comparisons in terms of types of care and identify inputs to the service, not only 'price'. This will also have to take into account staffing requirements, skills levels and user needs. Best Value is not about mirroring the lower standards in the private sector.

### **Cheapening the service?**

- The quality of care for residents is directly linked to quality of employment and training for staff. If attempts are made to cheapen the service, the council's care practices and user rights are bound to suffer. The private sector lags way behind local authorities in terms of training and development programmes for staff.

- Increasing the use of private sector home care providers would remove democratic control and accountability from the council. It would also result in the loss of integrated services to the elderly. It would reinforce the move towards a fragmented, individualised service.

- In spite of the authority being one of the lowest spenders on social services, moves are being made to reduce costs further. UNISON is opposed to Wakefield's recent policy directive which instructs care managers to limit expenditure on home care services to £250 a week. For service users with moderate to high dependency needs this will mean uncertainty about the future of home based care support and increase pressure to place those with home care costs over this level in residential care. This would seem to directly contradict national policy aimed at ensuring that elderly and dependent users can remain in their own homes for as long as possible.

### **Vulnerability of the private sector**

- The Joint Review is expected to recommend increased involvement of the private sector in Wakefield's home care services. Apart from the impact this would have on services users and the in-house service there are serious risks for the council in pursuing this route.

There is major economic instability in the private care sector within which care providers operate. Staff are often employed on zero hours contracts and cannot provide the same continuity of care as the in-house service.

- The private sector is under pressure to meet the costs of the new National Care Standards which will incur additional training and higher staffing costs.

- The costs of the private sector are predicted to increase at a much faster rate than those of the local authority over the coming five years, thus reducing the current gap between the local authority and private sectors.

### **New standards and regulations**

- Raising standards will be crucial for all care services. Whatever the future requirements are, they should apply equally to the local authority and private sector.

### **Integrated and joined-up services**

- The Government is placing increasing importance on the coordination and integration of services for the elderly. 'Joined-up government' means widening the range of services provided to meet the different needs of the elderly, improving the management of services, and ensuring that frontline services are linked. Transfer of care services to the private sector will jeopardise this approach and result in fragmented services.

### **Future quality of care**

- The Department of Health's emphasis on the quality of staff, recruitment issues and improvements in training and management will have to be incorporated by the council in their predictions for the future.

- There is no evidence to suggest that the private sector can provide the high quality and specialist services provided by the local authority.

- Strategies to increase private sector provision would involve major disruption to the continuity of care; elderly service users will be the first to recognise reductions in care, dissatisfied staff, and reduced quality of service because of high staff turnover and casualisation.

### **Equal opportunities implications**

- Over 90% of home care staff are female, making the future strategy an important gender issue. Women will bear the main brunt of any changes, reduced staffing levels, pay and conditions of service. A cost cutting and/or outsourcing agenda would seriously question the council's commitment to implementing its own equal opportunities policies and policies for work-life balance. There is evidence that care staff who are transferred to the private sector suffer discriminatory changes.

## **King's Fund Inquiry**

- Plans for care services need to take into account the findings of the national Kings Fund Inquiry 'Future Imperfect' (2001). This highlighted an impending crisis in the care sector and made a series of strong recommendations to recognise the crucial importance of care staff to future service provision.

## **Introduction**

The aim of this report is to highlight the key issues facing the home care service in Wakefield. The Centre for Public Services was commissioned in September 2001 by UNISON Wakefield Branch to provide an assessment of the Best Value review of homecare services and continuous improvement plan, ahead of the findings of the Joint Social Services Review.

This report seeks to provide an overall evaluation of Wakefield's home care strategy based on the material available to UNISON.

We have drawn on the Centre's work on Best Value which includes three publications (Centre for Public Services, 1997, 1998) widely used by local authorities nationally. The Centre has also carried out numerous research studies on community care services including a research programme for the Fawcett Society in 1997 on women's employment in community care services and a series of projects on care services in local government.

### **Joint approach to service improvement**

Wakefield MDC conducted a Best Value review on home care during 2000. This was carried out jointly between management, trade unions and staff, building on a history of trade union involvement in service plans.

The workforce accepted that homecare provision needed to change to meet a 24 hour, seven day a week service. It was considered that the in-house service was on target to meet improvement targets. There is now concern that the inspection may recommend radical changes which devalue care services in Wakefield. The council has already embarked on a cost cutting exercise which will directly impact on the quality of service provision and put jobs at risk.

## Context

Wakefield is the 22nd most deprived authority in England and Wales. Earnings are generally low in the district and the majority of the low paid are women. At the same time social care spending is relatively low. The council spends less on social services per head of population than any other authority in its comparator group.

The strengths of the service are identified to include many skilled operational staff, ready for change. Demoralisation will set in if no regard is taken of the continuous improvement plan which sets targets for the coming five years. Staff will leave, taking with them experience and skills which will be very hard to replace.

## Issues likely to be highlighted by the Joint Review

UNISON are concerned that the joint review will propose major financial savings through the following:

- Reduction in public sector provision and a shift in the balance of care to the private sector.
- Revision of terms and conditions of employment
- Expanding private sector provision.
- Privatisation of key services
- Redefining what the in-house homecare service should do.
- Delivering a focussed, more specialist services to smaller groups of home care users.
- Rehabilitation rather than core care services.
- Reducing administration and management costs.

The argument is likely to be made that this will release further funding for commissioning, management training, preventative and community based services. This is a false argument which will result in less rather than more resources going to frontline home care services.

# Key issues

## **Front line service**

Home care is an essential service for elderly and disabled people and one of the most visible parts of the council's social services to the local community. Home carers are often the first to identify developing problems and the need to alert other services. The potential for coordinating home care with other council and health services is great. This wider role is also dependent on highly trained and experienced staff.

## **High quality service**

Wakefield's in-house home care service is well regarded and of high quality. Cost cutting and outsourcing would lower standards and mean that there is no longer an effective public service comparator with which to benchmark services.

## **Longer term perspective required**

The demand for home care is growing as more elderly people need care in their own homes. Future options need to look at demand over the longer term and how the services will be best organised to meet the local needs of service users in the Wakefield district.

## **Changing demand for home care services**

There is a recognition that the service requires more care for more highly dependent people who need daily visits, seven days a week. Increasing personal care, administration of medicines, support and counselling and more intensive needs will not be best served by a lower cost or privatised service. Wakefield's care workers are already trained and experienced in more intensive services.

## **Increasing complexity of demand**

As elderly clients become more dependent requiring increasingly specialist services, the demand on home care workers increases. This raises issues about health and safety and stress at work - issues which are being addressed through the council's corporate policies.

## **Future training needs**

The Care Standards Act 2000 has introduced national training standards which will have particularly severe repercussions for the private sector. Wakefield's in-house team already meets high training standards in many areas of personal care, but these standards are much more variable in the private sector. The council recognises that the Care Standards Bill expects all care workers to be trained to NVQ level 2 and is working towards this standard. The long term implications of meeting this standard in the private sector will undoubtedly increase unit costs.

## **Plans for continuous improvement**

The core theme of Best Value is continuous improvement, and this is recognised in the home care review. These include improvements to the recruitment process and reductions in sickness absence. Clear targets have been set for future in-house service improvements.

## **Improving service management**

The Best Value review recommended the management and organisation of the service. This approach mirrors the recommendations of King's Fund Inquiry which stated that there is a need to invest in the development of management and leadership skills and highlighted management training as a priority.

## **Care costs funded by the council**

The public sector forms the largest proportion of income to the local authority and private care sector and the council has a crucial role in funding home care services. If the council used its dominant position to reduce funding for home care services, this would impact directly on service users as well as staff who would be placed under greater pressure to provide good quality services at lower cost. The greatest impact would fall on the in-house service.

## **Evidence that private sector failing to deliver**

UNISON has gathered evidence on the failure of companies to deliver home care services in accordance with the contract established between them and Wakefield MDC as part of its market testing exercise. Two companies selected to provide home care services were unable to provide

services in the initial contract period and even after a six month extension to give 'more operational experience' they did not provide the range of service expected. For example, the companies were not able to provide the full range of night home care services and were only capable of providing a night sitting service.

## **Pending recruitment crisis**

There is a shortage of home care workers in many parts of the country. In many areas jobs which are less emotionally and physically demanding pay higher wages, making home care an unattractive option. But the issue is clearly worse amongst the lowest paying providers and will not be alleviated by increasing reliance on the private sector.

The Audit Commission and Social Services Inspectorate's own study 'People need people' (2000) showed that 76% of local authorities already faced difficulty recruiting home care staff and over a third had difficulty retaining them (appendix 1).

A UNISON survey of over 3,000 home care workers showed that unless the value and status of homecare workers is not raised, then recruitment and retention of staff will create a major crisis within the sector.

Many local authority home care workers consider that their pay of £5-6 an hour already fails to reflect their increasing responsibilities.

## **Bed blocking**

Many areas already face a crisis of care for the elderly in the city. Nationally and locally the level of bed blocking has increased enormously with discharges from local hospitals delayed because of limited social services funding of residential and home care.

Health Authorities are concerned that 10% beds are filled by older people who would be healthier and happier in residential care or with support at home (Guardian, June 2001). Pressure on beds has started to affect accident and emergency departments. Distress is being caused to patients who wanted to go home, but cannot be discharged due to lack of social services support.

## Lessons from residential care market

The independent home care market is less developed than the residential care market but the following points illustrate a sector currently facing serious economic instability:

- The huge growth for the private care sector during the 1980s slowed down during the 1990s.
- There have been a number of company failures as a result of overcapacity, takeovers, reducing profits and financial failures.
- Specialisation and diversification of care home providers to the provision of other services.
- Lowest profit margins ever recorded in 1999/2000.

## Report of the King's Fund Care and Support Inquiry

The report of the inquiry 'Future Imperfect?' has warned that the crisis in care services threatens the Government's plans for expanding the NHS and states that social services departments need an additional £700m extra each year to avoid a collapse.

The core themes of the report were:

- Cost and quality
- Skills and values of staff
- Staffing recruitment and retention
- Regulation and training
- Management development

The key conclusions of relevance to this report are:

- Care staff provide a highly valued and essential service for millions of people, and the commitment and dedication of many staff cannot be faulted.
- Major expenditure constraints that have forced local authorities to systematically drive down costs are now biting into the quality of services than can be provided.
- The vital contribution of continuous development of staff and recognition of the value of experience.

- User involvement and empowerment are words in frequent use, but often with little consideration of what they mean in practice.

The inquiry stated that Best Value is placing a disproportionate emphasis on driving down costs at the price of quality.

Commissioning should place greater emphasis on the development of high quality, creative and responsive services. Local authorities are given the responsibility of working with providers to raise the skills and standards of all care staff.

'Recruitment and retention of staff in care and support services is a major and growing challenge that demands imaginative and creative solutions to avoid a crisis. Improved pay and conditions must be at the heart of the solution, while other ways of raising the status of care workers are also crucial'.

'Major expenditure constraints that have forced local authorities to systematically drive down costs are now biting into the quality of services that can be provided.'

'We recognise the vital contribution of continuous development of staff and recognition of the value of experience'.

Staff paid between £5-£6 an hour form the majority of home carers in Wakefield. If cuts are made in staff costs, many will leave forced to work for a little more pay in supermarkets and other service industries, paying little more than the minimum wage.

### **Increasing casualisation**

In spite of low pay, the city council employs a stable, committed and well trained workforce. Transfer and cost cutting would result in rapid casualisation and a transient care staff with high turnover, less experience and less training. The experience of existing staff would be lost.

## New powers and duties

The Government has recently published draft guidance to local authorities on powers of well-being. Authorities will have powers to promote or improve economic, social or environmental well-being of their area and a duty to prepare a community strategy. Community needs and a holistic approach to well-being do not appear to have been considered as part of the review. A policy to increase the use of the private home care sector and diminish the use of in-house services is not compatible with community well-being.

### Improved in-house services

Retaining the existing home care services in-house is crucial for a number of reasons:

- The high value of the service, particularly in relation to more intensive and specialist areas of care.
- Integrated package of care with health colleagues and close working with care managers and commissioning officers.
- A directly available service which deals with emergencies, more complex cases and areas requiring high levels of experience and training.
- A guaranteed service with a stable, trained, motivated and skilled workforce on fair terms and conditions of employment.
- Greater potential to restructure work, for example, to ensure greater continuity and consistency of care.
- Potential for savings through more efficient processes such as income collection and integrated IT systems.
- Ability to set improvement targets to meet the changing needs of Wakefield's elderly population.

## Best Value

The review documentation covers the issues affecting the home care services in considerable detail. UNISON suspects an agenda is being set to purchase a greater proportion of home care services from the private sector, regardless of the interest of service users.

### **Key advantages of the existing in-house service raised in the review are:**

- High standards and quality reflected by performance assessment and national standards.
- The Joint Review user/carer survey revealed very high rates of satisfaction (including 82% excellent or good rating) which were higher than the average for other similar authorities.
- Measures of service quality show in-house teams to be consistently high. For example, monitoring figures showed that 93% of new service users felt that the service so far met or exceeded their expectations.
- Provision of 'added value' through specialist services and quality standards.
- Specialist home care teams including core services to older people, short term care and care to people with early onset of dementia and those with mental health problems.
- The authority has developed services in partnership with the health service which provides immediate and more intensive home care support for those leaving hospital.
- Clients having an in-house service are more satisfied with their home care than those having care from external providers.

Before considering any alternative options for service delivery, the in-house improvement plan should be developed including reorganisation to make the service more flexible by altering management systems, reduction of non-contact costs and identification of new arrangements for meeting the future needs of users.

In-house services have a number of key advantages which must be taken into account:

- Flexible, responsive and comprehensive services for the elderly and ill.

- Highly skilled, committed and experienced staff.
- Public provision - to provide a benchmark for private and voluntary sectors.
- Comprehensive training programme available to all staff.
- Women care workers contribution valued with good employment conditions avoiding low pay in the rest of the care sector.
- Equalities mainstreamed throughout the service.

## **Continuous Improvement Plan**

The public's positive view of in-house services should be consolidated into the improvement plan for the service.

Increasing demand as growth in the local population over 75 years is predicted, mirroring the national trend. The plan has already resulted in a more flexible 24 hour service.

A culture where staff are demonstrably valued must be incorporated into service improvement plans for each part of the home care service. Valuing and involving staff is an essential component of Best Value (Improvement and Development Agency, 2001).

The plan already sets training targets which includes the NVQ programme and seeks to ensure that more home carers achieve level 2 qualifications.

## **Staffing**

The service currently has:

- 38 full-time equivalent home care supervisors supporting and supervising front line home carers.
- 770 day and night home care posts.

Working arrangements have already been altered to meet current and future demand through the development of a seven day a week, 24 hour service. Changes in terms and conditions of employment aimed at reducing unit costs would have a broader social and economic effect on Wakefield and district.

## Lowering costs in the name of Best Value

In spite of the authority being one of the lowest spenders on social services, moves are being made to reduce costs further. UNISON is opposed to Wakefield's recent policy directive which instructs care managers to introduce a ceiling which limits expenditure on all elements of care provision for clients at home to £250 a week.

The imposed ceiling will have major implications for service users and the quality of care they receive and for the ability of the service to provide care at that rate. It also discriminates against those clients living in their own homes with the highest and most expensive levels of dependency.

For service users with moderate to high dependency needs this will mean uncertainty about the future of home based care support and increasing pressure to place those with home care costs over this level in residential care. This strategy directly contradicts national policy to ensure that elderly and dependent users can remain in their own homes for as long as possible. It also denies service user choice and undermines the independence of vulnerable people.

It will also impact on hospital services and the smooth discharge of patients who occupy hospital beds and whose assessments state the need for care packages which exceed £250 per week. This may also exacerbate the bed blocking problem.

### Conclusion

Wakefield has a high quality directly provided home care service. It is crucial in meeting the increasingly specialist needs of dependent elderly people in the borough. Staff are highly trained and meet national quality assurance standards. The Best Value review suggested a range of service improvements which are aimed at enhancing the service and are linked to achieving national standards. The improvement plan was based on improvements over a specific timescale. The plan needs to be fully implemented in order to access the benefits to the service.

## Unit costs

The Best Value review documentation highlighted the differences in unit costs between the in-house and private sector. The Joint Review of Social Services is also expected to present information on high home costs in relation to Wakefield's comparator group and the need to make savings on in-house costs.

The council stated in April 2000 that the hourly rate in-house cost was £13.59 in-house, and for the private sector between £6-8 per hour Monday-Friday and £9-£11 for weekend and night visits. The analysis below shows that unit costs are not being compared on a like for like basis. This type of comparison is a diversion from the key service delivery issues.

Clear differences in service between Wakefield and the private sector contribute to the differences in unit costs:

- Provision by in-house of added value through specialist services
- In-house clients with greater dependency
- NJC terms and conditions of service for in-house staff
- Areas such as training, induction and income collection services which are not provided by the private sector.

The unit cost differences are in part due to differences in terms and conditions of employment, but also reflect strong differences in the quality of service. The unit cost differences should be examined in terms of service quality, overheads, management and supervisory costs, contact hours and local differences.

Other examples identified by UNISON of costs being 'added' to the home care service unit costs include:

- Total costs of office and building maintenance, even when there is shared occupancy with other departments or organisations.
- An added cost element relating to senior management salary provision, even when particular managers do not have line-management responsibility for the home care service.

## Comparing like for like?

There are serious problems in comparing unit costs with the standards and quality of service.

Unit costs should be compared in a number of ways:

- Management and supervisory costs: the local authority is likely to have higher management costs than the private sector which need to be disaggregated as part of any comparison with the private sector. This should also be part of any comparisons of service quality since supervision and effective management are crucial to service improvement.
- Terms and conditions of employment: Wakefield's in-house staff are on NJC conditions of service. There are several suggestions in the review material that there should be a move away from the national framework and the introduction of more flexible and cheaper services. Private sector providers often operate zero hours contracts with staff employed on contracts which do not guarantee a specific number of hours of work or any particular shift pattern. Care workers are only paid for the hours they work.

**Table 1** highlights the differences between Wakefield's terms and conditions of employment and those of the private sector. The material about the private sector is drawn from Wakefield's own benchmarking report and the Centre's research on the employment practices of the private sector.

The key differences are that private sector staff have:

- Little or no training
- Less pay
- No enhancements for working unsocial hours
- Less holiday
- No pensions

**Table 1: Comparison of Wakefield terms and conditions of employment**

Condition	In-house	Private
Hourly pay	£5.30-£6.13	£4-£5
Annual leave	4-5 weeks	Zero hours contract/max 4 weeks
Induction/shadowing	2 weeks	Minimal
Pension	Local Government Superannuation Scheme	None
Management	Regular appraisals, supervision, meetings	Variable
Training	Free NVQ training in level 2/3 Paid relevant training courses	Not mandatory Minimal Not usually accounted for
Time between visits	Paid travelling time	
Casual care users mileage	per mile	
Personal protective clothing	Free	
Telephone	9p per call	
Sickness	Up to 6 months full pay and 6 months half pay	Zero hours contract/SSP

**Recruitment:** The review may reveal difficulties in recruiting suitable care workers by care providers.

The private sector has serious recruitment difficulties, though they have a simpler and cheaper recruitment system than the local authority. It is well known nationally that this is associated with poor terms and conditions of employment for work which is highly demanding and involving anti-social hours.

Private sector recruitment problems have occurred in providing specific services eg. night and weekends and specialist care services.

**Training:** The in-house service has a clear training programme for care staff and managers including the requirement for all care workers to be trained to NVQ level 2. Up to now there has been no such requirement

in the private sector who have only required to have a broad training programme in place. Agencies currently do not pay their staff for training - this will inevitably have to change, impacting on their unit costs.

**Risk assessment:** The in-house service has high health and safety standards which includes specific training for management and some home care workers.

**Contract monitoring and reviews:** The unit costs differences do not take account of monitoring and inspection costs. The council's monitoring and review functions would be under pressure if the volume of contracts grew. Reduction of the in-house service would create further, rather than less, problems and the costs of contract monitoring would increase substantially.

Our experience is that whilst monitoring and review can assist in determining service quality, it has a specific role in ensuring quality standards and is ultimately a limited tool which is also extremely costly and resource intensive.

**Zero hours contracts:** Many independent providers employ staff on zero hours contracts to give them maximum flexibility in terms of the use of labour and to keep employment costs as low as possible. This leads to poor recruitment of staff, high turnover and mistreatment of home care workers who may not be given the level of work required to sustain a fair level of income, for example, staff cannot obtain a mortgage on a zero hours contract. This can also create delays in the service.

**Travelling time:** Many independent operators often do not account for travelling time between visits. This results in cutting corners with clients receiving less than their correct allocation of care.

### **Unit costs in the private sector will increase**

It is inevitable that unit costs in the independent sector will increase substantially over the next five years. This will result from the introduction of National Care Standards. All home care staff will be expected to be trained to NVQ level 2. Wakefield's own home care service already includes this in its budgets.

## A Privatising Agenda?

Wakefield has undergone a comprehensive Best Value review process for home care. The review team prepared a service improvement plan.

The Joint Review will highlight concerns about an under developed private sector and the need for this to grow.

If there was a substantial increase in the purchase of home care from the private sector, it would completely disregard the consultation element conducted as part of the Best Value review. All the evidence collected as part of the review pointed to the fact that users do not want increased external involvement in the service and are very satisfied with the in-house service.

The following points would apply if the balance of the service was shifted to increase private provision:

- **Problems in delivering a frontline service to the elderly and ill.**

The Best Value review highlights many of the key issues affecting home care services in local government.

The home care service is highly intensive and provides crucial support to a range of users and their families. Cutting costs will inevitably reduce the level and quality of the service. By outsourcing the council could fail to meet the increasing needs of elderly and ill people in their own homes. There is no proof of the ability of the private sector to deliver an expanding service given that they are already under pressure.

- **Costs and savings.** The fear is that the Joint Review inspection proposals for home care will essentially be a cost-cutting exercise with the major savings being increased use of the private sector, revision of terms and conditions of employment and reduced management/supervision. The comparison of Wakefield and comparator local authorities and private sector costs do not necessarily compare like with like.

Greater account should be taken of service differences including specialist services, levels of local need and predicted changes in demand.

- **Quality of care.** The quality of care for elderly and ill people living in their own homes is directly linked to quality of employment and training for staff. If attempts are made to cheapen the service, the council's care practices are bound to suffer.

• **Continuity of care.** Wakefield's review recognises that continuity of care is very important for the elderly. It is also important for staff teams. The longer term implications of reducing costs are of major concern. What will

the price for continuity be when home care is run by a range of **different agencies, often leading to the use** of untrained and inexperienced staff? Continuity declines but so does quality. High staff turnover leads to a vicious cycle of higher recruitment costs, increased staff resources involved in patching up gaps in cover and recruitment and increased monitoring costs.

- Training. Any transfer to the private sector would result in less training and more casualisation which in turn would impact on the quality of care.

The same report stated that **detailed monitoring of training in the** private sector is very difficult and expensive.

- Most of the council's home care staff are female. Any major reduction in care costs or transfer of the service would lead to major reductions in pay and conditions for staff, most of whom work part-time. The track record

of transfers of care staff out of local authority control has been appalling, **largely because of the cost reductions and** the detrimental impact on staff. Any transfer would seriously question the council's commitment to implementing its own equal opportunities policies.

- The future role of home care staff. The Department of Health's emphasis on the quality of staff, recruitment issues and improvements in training and management should be taken into account by the Joint Review team in their proposals for the future service. The private sector is renowned for its poor employment practices, high staff turnover and less skilled and experienced staff.

- Impact of wage cuts on families and children. Any form of transfer would have a **detrimental effect on low income** families. The difference between the local authority pay rate and that paid by independent providers is well over £1.50 an hour plus the cost of reduced conditions of employment. On pay alone full-time staff could be at least £3,000 worse off a year. This will result in further job losses in the local economy because of reduced spending power. Transformation of the service into a lower paid, more casualised sector not only has implications for individual women workers but for their families, many of whom include children and elderly dependents.

- Impact on support services. Privatising will impact on a range of support services who have staff dedicated to the Home Care service. This includes staff working in finance, personnel, training and other key services.

● **Contract costs.** These costs would soar if all the home care service is allocated to a plethora of independent providers. The bulk of financial savings made by reducing unit costs will not be used for direct service provision but for strengthening the review and contract compliance functions of the service, associated staff costs and purchasing additional services from the private sector.

The type of service provided in home care is already difficult to adequately inspect, given its fragmented nature, specialisms and ever changing needs. Transfer of further work out of local authority control will merely add to this situation.

● **Loss of council bargaining and the role of the market.** Any transfer of the bulk of home care to the private sector would weaken the council's bargaining strength for placements in the private sector in the future. In the longer term private operators are likely to raise fee levels and leave the council in a weaker position when purchasing home care services.

● **Corporate policies undermined.** Transfer of the service would remove democratic control and accountability from the council, making the application of corporate policies including equalities, community planning and regeneration much more difficult. It would also separate it from other services and reinforce the move towards a fragmented, individualised service.

● **Partnership working.** The council already works jointly with the local health authority and other health agencies in developing care provision in the Wakefield area. This joint planning would be much more complicated and difficult if services were contracted out.

### **Employment and equal opportunities implications.**

The vast majority of home care staff are female, making the investigation of options an important gender issue. Women will bear the main brunt of any changes to staffing levels, pay and conditions of service. This must seriously question the council's commitment to implementing its own equal opportunities policies and work-life balance policies. Compulsory Competitive Tendering was found to be discriminatory in terms of the treatment of some groups of women workers, with several councils involved in long legal cases and high compensation payments. There is evidence that care staff who are transferred to the private sector suffer similar changes.

● **Impact on local labour market.** The increased influence of the private sector will have a wider impact by reducing training opportunities, reducing job opportunities, eroding the city council's role in setting quality employment standards (particularly in equalities and health and safety) and increasing casualisation. Casualisation would mean high turnover of staff, temporary contracts and agency workers resulting in less continuity of care and employment of less experienced staff.

### Conclusion

The quality of the in-house service is highly valued. The focus on reducing costs will overshadow the high quality care which is being provided. The review should focus on the care plans and quality systems in place and examine how they may be improved and further developed in line with new Government standards.

## Recommendations

We recommend on the basis of the assessment of the Best Value review report and the initial proposals from the Joint Social Services Review that:

- 1.** Wakefield MDC reaffirms the importance of in-house provision of public services to the quality of care, service users, equalities legislation, regeneration strategies and the local economy.
- 2.** Wakefield MDC continues to directly employ home care staff and maintain the ratio of in-house and private provision. Any reorganisation and redirection of resources in favour of an improved care service should be in the context of in-house provision and joint work with local health organisations, rather than expanding the role of the private sector or transferring work to private companies.
- 3.** Community care services, including home care, day care and respite care, continue to be subject to regular review with a detailed examination of quality and cost in both the in-house service and services provided by the private sector.
- 4.** The council makes a commitment to work with the trade unions and staff to develop the in-house service and develop strategies to ease recruitment problems and need for a more flexible service.

5. The council mainstreams equal opportunities and the council's key corporate strategies through the Best Value process, as required by the Government's Best Value Guidance (Circular 10/99) and the Audit Commission's inspection framework ('Seeing is Believing').
6. Includes social and economic factors in the evaluation criteria for any decisions taken on the future of care services provision in Wakefield. This would include assessment of the employment impact on the locality of any changes to services.
7. Develops methods for ensuring that existing providers engage staff on the same terms and conditions of service as city council staff.

**UNISON is committed to work with Elected Members and management to:**

- *Examine the breakdown of unit costs and look at ways of re-orientating the service to meet the growing, and more specialist, needs of service users.*
- *Refocus the service to work towards improving the flexibility and responsiveness of the homecare service in the light of the council's proposals for flexible working which seek to improve employment opportunities to balance work with home responsibilities.*
- *Prepare a specification for the service which details standards and requirements, eligibility criteria and working methods.*
- *Improve the monitoring and evaluation across this and related services.*
- *Assess the potential for more effective and efficient time recording systems using computer systems.*
- *Examine ways of increasing the proportion of contact hours by minimising the cost of abortive visits, reassessing the organisation, management and allocation of work to reduce travel time costs, management of sick leave and any other non-contact hour costs.*
- *Draw up proposals to develop innovative services and improve coordination between social services and health organisations.*
- *Work with staff to assess where service improvements could be made and how they can be effectively implemented. This should take up the recommendations of the recent study on employee involvement in Best Value (IDeA, 2001).*

## Audit Commission Recommendations

Wakefield's Best Value review raised issues about recruitment and retention of home care staff in. This reflects a national problem which is being made worse by outsourcing services. A recent Audit Commission report (2000) on staffing which has arisen out of the Joint Reviews of Social Services argues that most councils could improve their services by applying human resource principles more effectively.

The report states that good people management is the key to quality services and four key areas for securing improvement in people management and, therefore, in services for users are highlighted:

1. Becoming a learning organisation that delivers results.
2. Planning longer term to attract the right people.
3. Using qualifications and training to retain good people.
4. Implementing good practice consistently to drive up quality.

Characteristics of councils that are doing well show that they exist to meet the needs of the users they serve and need to be organised to lead and support staff at the frontline who are delivering the service.

The Audit Commission states that there are a number of attributes which successful councils are doing, including:

- They involve service users and their carers in decisions about their lives and in shaping local services.
- They support and develop their staff through good communication, training and supervision.
- They are committed to learning from users and frontline staff about what works in practice.

The Audit Commission's analysis of the workforce concludes that: 'Recruitment will become more difficult, requiring employers to review service provision and the skill mix of staff'.

The report states that councils need to plan over the longer-term by taking an overview of the workforce requirements for social care in their area:

- Strategic workforce requirements must be related to longer-term community needs, service objectives and local economic development strategies.
- Strategic staff development plan should be derived from the workforce projections.
- Strategic networks for workforce planning are essential to deliver and sustain planning at this level.

### **Qualifications and training for staff are considered essential.**

The Audit Commission recommends:

- Implementing and reviewing the competence framework for all posts to support management and develop staff.
- Using Investors in People framework to support practice.
- Promoting equality of opportunity and encouraging diversity.

Wakefield's in-house team is already working hard to achieve good practice. Outsourcing would waste much of this work and impact on service provision for many elderly people in the borough.

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## 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 from a base in Sheffield. It has unrivalled experience of working with local authorities, other public bodies including the Improvement and Development Agency and the Equal Opportunities Commission, trade unions and community organisations and specialises in research, strategy, planning and training.

**UNISON believes that directly provided and democratically accountable public services are what the people of Wakefield want from their Council.**

**They also want those services to be of high quality provided by well trained and motivated workers who enjoy decent pay and conditions. The prospect of our vulnerable elderly receiving a second rate service delivered by poorly trained and demotivated workers is unacceptable. Yet that is what lies ahead if the council goes down the road to privatisation.**

**Join us now in campaigning for the preservation of a directly provided Home Care Service. Contact your local councillors and your M.P. and urge them to oppose privatisation of this vital service.**

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