

nmds-sc briefing

Issue 3 - PAY

Basic pay rates and pay structure conspire against staff recruitment and retention.

“ We are not a society that values care and will not fund it properly. Getting the workforce we need is a massive task... We need an honest appraisal of the complexity and costs of providing good care for the most vulnerable ”

Paul Simic, Chief Exec Lancashire Care Assoc. reflecting on the death of his father in a Private Nursing Home (Guardian 30.5.07)

Care workers' gross median hourly rate is £5.87 (at February, 2007), only 9% more than the minimum wage of £5.35 for people aged over 22 in October 2006.

“ We should be ensuring that the rewards for this very skilled work (referring to care workers) are appropriate in the UK ”

Bill McClimont, UKHCA (Community Care 23.08.07)

A care worker in the average care home with nursing earns £5.54 per hour, just 19 pence over the minimum wage, for working with the most vulnerable clients. A senior care worker in the same setting earns just £6 per hour.

Peter Beresford, Chair, Shaping Our Lives, the national user network, said in Options for Excellence, “For service users, the most important person in social care is the person who works with them face to face. Their influence for good or ill can be enormous”. The ONS Annual Survey of Hours & Earnings 2006 shows that the umbrella group “Care Assistants and Home Carers” median gross hourly pay is £7.12 an hour - just £1 an hour more than check out operators (£6.03), and less than call centre agents (£7.20/hr) and far less than general office assistants (£8.03/hr). But the “Care Assistants and Home Carers” group also contains a wide range of care and support workers - in local authorities, the NHS and so on. The NMDS-SC shows that care workers are getting lower rates: median gross pay of £6.15 an hour for senior care workers and just £5.87 an hour for care workers.

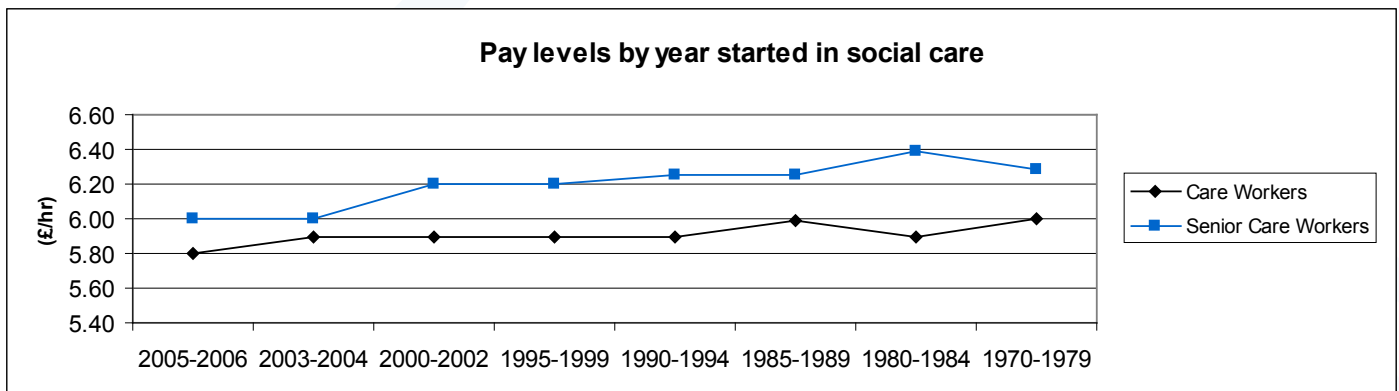
The Equal Opportunities Commission warned in its article “May Day for Care Workers, Pocket Money Pay puts care services at risk” of a “caring time bomb, as poor pay and staff turnover undermine the female dominated caring profession”. (*E.O.C. Press release 31.5.07*)

Analysis of pay data within this issue of NMDS-SC Briefing shows that the pay structure does not consistently correlate with qualifications, longevity, employment status and the vulnerability of service users. With such pay rates and structure how can we recruit, retain and develop a skilled, committed and stable workforce?

Pay structure – how do other variables affect rates of pay?

NMDS-SC Briefing 2 identified that staff turnover was a critical issue for the sector. Does the pay structure therefore help with staff retention?

Year started in social care and hourly pay:



The graph shows that longer service and greater experience in social care only results in slightly higher hourly rates of pay.

Qualifications and hourly pay

Qualification level	Care Worker (£/hr)	Senior Care Worker (£/hr)
All Workers	£5.87	£6.15
Entry level or level 1	£5.70	n/a
NVQ Level 2	£5.80	£6.10
NVQ Level 3	£6.04	£6.25
NVQ Level 4 or above	n/a	£6.38

This is a disappointing finding. There is a consistent, if slight, increase in pay for senior care workers according to qualifications, with those on NVQ Level 4 or above getting an extra 5% more than those at entry level. This pattern is repeated for care workers up to Level 3 though changes are small and the maximum gain is never more than 6%.

“ Pay differentials between care workers and senior care workers in the independent sector mean it is not worth staff taking an NVQ level 3 to gain promotion ”

Andrea Rowe, Skills for Care (Community Care 23.08.07)

In service training has been shown by Social Care Institute for Excellence (SCIE) to increase staff retention. Pay was the factor most likely to act as an incentive to stay with or move to a new employer in the survey of Welsh Social Workers. (*Evans and Huxley 2005*)

Employment Status and hourly pay

Employment Status	Care Worker (£/hr)	Senior Care Worker (£/hr)
All Workers	£5.87	£6.15
Permanent	£5.80	£6.15
Temporary	£6.09	n/a
Bank or Pool	£6.23	£6.60
Agency	£6.40	n/a

An interpretation of this for care workers is clear: to increase your pay, do not take qualifications, with a maximum benefit of 6%, but instead work for an agency and get an immediate increase of 10%. This is clearly not what employers or people who use services want to get the consistency of care they require.

Pay structure in terms of reward for longevity, qualifications and employment status, is conspiring against service users' desire for stability. What it may do is confirm such work as low status, that for some is a stepping stone to the job markets where pay is better related to responsibility and level of qualification.

Pay by sector

The voluntary sector has much lower turnover rates than the private sector (see NMDS-SC Briefing 2). It is therefore interesting to see it also has higher pay rates.

Rate of Pay	Private Sector	Voluntary Sector
Registered Manager (annual)	£24,000	£25,200
Senior Care Worker (hourly)	£6.00	£7.51
Care Worker (hourly)	£5.73	£6.19

All workers in the voluntary sector earn more - registered managers an extra 4.9%, senior care workers an extra 25% and care workers an extra 8%.

Care workers in the voluntary sector earn more than senior care workers in the private sector. The pay differential between care workers and senior care workers in the private sector is only 4.7%. Is this any incentive to make staff stay and take on extra responsibility? In the voluntary sector this differential is 21%.

Does this type of pay differential help to retain staff, by creating career progression?

E-mail your views to us at nmdsbriefing@skillsforcare.org.uk

Pay by provision

Care homes with nursing have the highest rates of pay for registered managers, and this may be linked to professional status and qualifications, as well as a reflection of the vulnerable nature of that client group. However, the care workers in these settings are the lowest paid. This is the most costly provision for residents and yet the staff that give them direct care are the lowest paid. How can this reflect the skills needed to work effectively and sensitively in these settings?

Rate of Pay	Care only home	Care home with nursing	Domiciliary Care
Registered Manager (annual)	£23,000	£30,000	£22,099
Senior Care Worker (hourly)	£6.00	£6.00	£6.50
Care Worker (hourly)	£5.60	£5.54	£6.30

NMDS-SC Briefing Issue 2 showed a sector with high turnover and vacancy rates. This issue has identified a sector with low pay rates and a poor pay structure. All of this in a sector where service users most value a stable and consistent relationship with their workers.

The National Minimum Dataset for Social Care (NMDS-SC) has been collecting data since early 2006. At the time of writing the NMDS-SC has received information from 12,500 establishments from across England. The figures quoted in this report are based on the analysis of just under 4,000 establishments and just over 50,000 worker records (analysis of data as at April, 2007).

Further copies of this report and a variety of other information and detailed analysis concerning different aspects of the NMDS-SC are available at www.skillsforcare.org.uk, follow the links for NMDS-SC.

From August 2007, existing NMDS-SC establishments can update their information via NMDS-SC Online. From October 2007 new establishments will be able to register with NMDS-SC Online. We welcome and invite comments and observations on NMDS-SC Briefing – please e-mail us at nmdsbriefing@skillsforcare.org.uk

Your Comments: Issues 1 and 2 of NMDS-SC Briefing suggested that the sector loses few employees to retail (just 3% of leavers). Feedback from an employer in the South East suggests this view is too simplistic and that in fact people choose the retail sector over the care sector when entering the job market and as such the sector has already lost them. Interesting views – please keep them coming in at the above address.

References:

Options for excellence: Building the Social Care Workforce of the Future, Dept of Health, Dept of Education and Skills
Analysis of Recruitment and Retention Among Social Workers and Senior Social Work Practitioners in Wales. S.Evans, P.Huxley, K.Huxley, M.Baumann, Social Care Workforce Research Unit, Kings College, London.
Annual Survey of Hourly Earnings (ASHE), Office for National Statistics, 2006.

Why do we use the median not the average ?

Median pay rates are used within NMDS-SC Briefing as with other pay data (e.g. Annual Survey of Hourly Earnings by the ONS) rather than average pay rates, because median (or middle) values are far less affected by extreme values. As such they give a more accurate reflection of pay rates in the sector.

Effect of geographic coverage of NMDS-SC response rates on pay data

At the time of analysis pay data from the South East and London regions was limited. This may be resulting in pay data reported being artificially low. Later issues of NMDS-SC Briefing will revisit this topic.