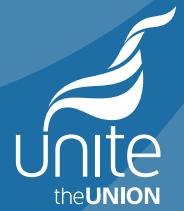


Briefing for Local Councillors

Defend Social Care and Housing



Background

For too long the social care and housing sectors have been blighted by a rapid race to the bottom in order to compete for commissioned contracts from the public sector. Organisations across the sectors are undercutting each other in order to win contracts to provide these services. As a result many workers in social care and housing are facing sweeping cuts to their pay and conditions, staffing levels are being cut and many experienced staff are being lost. In many cases organisations are cutting wages in existing contracts long after funding has been agreed.

To successfully tackle the issues faced by clients with complex needs in the social care field, cheap contracts and quick-fix solutions are not the answer.

How you can help

- Take a stand against the 'race to the bottom' in social care and housing and commit to consult with service users, affected community groups and trade unions prior to any cuts to funding.
- Encourage responsible employers, commissioners and trade bodies to sign up to a charter to ensure better standards across the sector before it's too late.
- Set clear pay and conditions criteria in any contracts with the social care and housing sectors. The financial section that covers pay in every tender must reflect the actual pay currently paid to workers and not a fantasy lower sum that the provider seeks to pay in the future. It should be clear that any organisations undermining these terms and conditions would be in breach of contract.
- All housing and social care providers should be encouraged to recognise a trade union and engage in collective bargaining with those trade unions.
- Ensure that your local council are not funding organisations that are cutting workers pay and conditions.
- Add your name to say 'NO' to a race to the bottom and support Unite's campaign for sector wide standards which will benefit both workers and service users at www.uniteforoursociety.org/DSCHC

Commissioning and Government cuts

This problem is being exacerbated by the commissioning process with the focus of too many organisations on winning contracts by cutting costs rather than by managing sustainable, good quality services.

Government cuts are making this worse. In its most recent spending review government has confounded this issue by announcing the pooling of health and social care budgets in England with real term cuts to both on the cards. Devolved Governments have also had their budgets cut by Westminster.

One key element of this is Supporting People funding (SP), which was previously distributed nationally is now distributed locally and is no longer ring-fenced. With local government continuing to face the brunt of central governments cuts, i.e. England 27% (between 2011-2014) plus up to 16% (2014-15), and serious cuts through the devolved governments, this has meant the SP funding stream is particularly vulnerable.

The Government slashed the annual £1.6 billion SP programme by 3% (12% in real terms) over four years in October 2010's comprehensive spending review and freedom of information data reported in Inside Housing (2012) shows that many councils made much greater cuts to their SP budgets - on average 10.3% in the first year. Some local authorities made much harsher cuts still, including a 44% cut at Cornwall Council, 42% at Hull Council and 39% at Peterborough Council.

More recently (January 2013) Derby City Council cut its supported housing budget by 81% and Northamptonshire Country Council has announced (July 2013) its decision to terminate all supported housing contracts in their area.

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Scale of the problem

Freedom of information requests to 152 English councils showed that 685 services had Supporting People funding reduced, affecting 39,621 people and a further 305 services had their funding completely removed in the 2011/12 financial year, impacting on 6,790 people. These included services for homeless people, those with mental health problems and drug and alcohol addiction.

The SP programme provides housing-related support for more than 1 million vulnerable people. An independent evaluation carried out in 2009 for the Government (Capgemini) estimated that the national annual investment of £1.6 billion in housing-related support generated net savings of £3.4 billion by avoiding more costly acute services. This means real cost savings and economic benefits to every local area. Cuts to these services are likely to create disproportionately negative impacts on vulnerable people, and result in greater costs to local authorities, health, police and other statutory services.

The cuts are not an excuse

Despite the overall impact of government cuts Unite has found that this is being used as an excuse, as many organisations are cutting staff pay and terms because they can, not because they have to.

For example the housing association sector is booming, with record surpluses across many of the largest providers (up 63% in the year to March 2013). This has been matched with double figure pay rises for some Chief Executives while they cut thousands of pounds from their staff's wages. Such organisations are not blaming the cuts, but rather "market forces" for driving down wages.

Case Studies

Equinox:

Workers at Equinox Care – the charity dealing with substance abuse problems – have been involved in industrial action over pay cuts of up to £6,000-a-year for many staff.

One Housing Group:

OHG's Chief Executive Mick Sweeney has taken a £31,000 hike in pay and bonuses while support workers are being dismissed and re-engaged on cheap contracts meaning pay cuts of up to £8,000. The average cut is £2,000.

Look Ahead:

Which provides supported housing and specialised care for vulnerable adults - wages of support staff in Hackney are set to be sliced by more than 10%, following a five-year pay freeze.

Turning Point:

Has sacked its 2,600 strong workforce and re-engaged them on inferior contracts. This behaviour has meant that staff will lose up to £6,000 a year in wages, not to mention cuts in redundancy payments and a knock-on effect on their pensions.

Other organisations:

Other organisations such as Family Mosaic, Hestia and charity Centrepoint have also come under fire for reductions to staff pay or changes to working conditions.