



August 2024

Dear Cabinet Secretary,

**RE: Fair Work and Funding in Social Care**

Social care in Scotland is in crisis. Underinvestment in the sector, despite the critical role it plays in delivering the aspirations that the Government has set out for a fairer, healthier country, has driven significant challenges around recruitment, retention and reward in a sector that has been straining at the seams for years. In September 2023, the First Minister announced a new minimum rate of pay for social care workers of £12 per hour from April 2024. This pledge only matched the Real Living Wage and represents no progress to address the pay challenges in the sector – a statement to care workers that they are worth the bare minimum and no more.

Social care is at the heart of the government's vision for "Equality, Opportunity and Community", yet the workforce is systematically underfunded and undervalued compared to public sector providers, creating a two-tier workforce in communities all over Scotland.

In 2023, the Coalition of Care and Support Providers in Scotland (CCPS) cited the current basic gross salary funded by the Scottish government for an adult support worker as £21,255. In the NHS, someone doing the equivalent job earned £25,468, without taking account of better pensions and other benefits.

The 2024 increase to £12ph still leaves a £2000+ per year gap, with an NHS Pay uplift still to be settled for 2024/25. Until the social care workforce is paid at the equivalent NHS 'Agenda for Change' rate to create stability, it will not be possible to truly reform the sector in the way that is essential to protect the NHS and to adequately serve those most vulnerable in society to live independently.

The social care workforce in Scotland is more than 80% women. The 2023 Joseph Rowntree Foundation report confirmed social care as a key sector contributing to poverty in Scotland and Enable's internal research also suggests approximately 20% of their workforce are living in poverty, even with their commitment to the living wage.

In 2019 the Fair Work Convention published their report on Fair Work in Social Care in Scotland. Their findings shone a light on the commissioning and procurement system in place creating a race to the bottom. It also found inconsistency and inequality across care providers, resulting in many members of the workforce experiencing poor terms and conditions and low pay.

A key recommendation by the Fair Work Convention was sectoral bargaining to create a level playing field for workers – a proposal that made its way into the manifestos of parties for the UK elections, but has stalled in Scotland, undermining the progressive leadership that the Convention's recommendations had suggested. Four working groups were set up with input from unions, employers, and the Scottish Government with a focus on – Pay, Terms & Conditions, Effective Worker Voice, and Sectoral Bargaining.

In 2023 the Terms & Conditions working group secured a £38m budget to ensure a baseline for sick pay, maternity, and paternity pay. The Scottish Government failed to pay this money to Fair Work employers, and instead reallocated the budget with no consultation, no transparency, no accountability, and no promise of restoring the funding for 2024/25.

It leaves a sector suffering greatly with staffing shortages, zero-hour contracts, health and safety issues, and persistent poor pay and terms and conditions leading to an exodus of workers who feel desperately let down by politicians they put their trust in to deliver for them.

This leaves a not-for-profit social care in Scotland that is struggling to survive. To offer a concrete example, Enable, Scotland's second-largest social care charity, has consistently operated as a Fair Work employer. Alongside building a strong, collaborative relationship with UNISON, it has focused on delivering fair work practices for its workforce despite the wider pressures of the financial constraints of the sector. Over the past three years it has invested £6.5million of its own charitable reserves into uplifting frontline pay to the Living Wage minimum before the Scottish Government was willing to do so, a situation reflective of the fact that across the UK the thinktank New Philanthropy Capital found that the voluntary sector subsidises public sector delivery by £2.4billion per year. This is not sustainable or appropriate for a social care charity of the size of Enable, which through bold leadership and fair practices has built resilience into its organisation; but presents an existential threat to the wider social care sector in Scotland, in which the majority of the 1,200 providers are extremely small and vulnerable to risk.

Enable has tried to positively contribute to a solution to this continued crisis in the test for change proposal they made to Scottish Government. It evidenced the positive contribution that care makes to the economy and communities across Scotland.

BiGGAR Economics undertook research for Enable on the social care sector as an economic driver. This research showed that once account has been taken of additional taxation receipts, the net cost of increased wages is much less than the gross additional costs.

Hourly Rate	Additional Cost of Wage Increase (£m)	Additional Taxes (£m)	Net Costs of Wage Increase (£m)
£12.00	379	178	201
£13.00	724	340	384
£14.00	1069	502	567
£15.00	1413	664	749

UNISON and Enable have incredibly good dialogue which contributes enormously to the workforce having an effective voice, which hugely influences the quality of services that Enable provides. Yet for the first time, we are in formal dispute over pay.

The solution to our dispute cannot be found within Enable's existing resources or the constraints of the current funding arrangements around pay. The solution to this industrial dispute can only be found through the intervention of the Scottish Government, and so this letter is a final appeal for that. To reach a situation where industrial action could become unavoidable at a fair work employer such as Enable, despite its constructive collaboration with us as a union and its use of its own charitable resources to uplift pay and conditions would represent an utter failure on behalf of the Scottish Government. Unfair commissioning practices, where a race to the bottom on cost is the primary driver rather than fair work and high quality delivery; an underinvestment in pay which forces many staff to either leave their positions to move into alternative sectors for higher pay or face the threat of being in poverty despite working extremely hard jobs; and the risk of collapse of social care charities due to unsustainable financial conditions – all of these undermine the commitments that your government has held as critical to your vision for a fairer Scotland. In the three years since the Feeley Report, we have a sector in a staffing crisis and fair work employers unable to reward staff with anything but the minimum rates of pay The Scottish Government have promised so much to care workers, a workforce who were exposed to very difficult circumstances and risked their lives during Covid, yet very little has been delivered since then beyond paying the real living wage.

We are clear that better pay and better terms and conditions for social care workers is needed to address the significant issues across the sector that are failing workers and the people they support. You have announced the commencement of a National Conversation on health and social care – a proposal which will be worthwhile if it leads to action, not just further discussion. We urgently request that you meet with us and important partners such as Enable to find a workable, sustainable plan for investing in our social care sector as one of the key components of a better Scotland. We do not deny that the challenges are significant – however we, our fair work partners and the workforce we represent, truly believe that this is the chance for you to take the lead in delivering real change in the social care sector, demonstrating through doing that the commitments of the Scottish Government are real, and seizing the opportunity to create a valued, progressive social care system which can lead the world in delivering positive change.

Yours sincerely

Lilian Macer  
Scottish Secretary  
UNISON Scotland



Mari Galletly  
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Enable Scotland

