**File name: P9 Audio recording**

**Audio Length: 1:10:31**

**Date Transcribed: 5 February 2024**

**Date proofread: 6 February 2024**

Interviewer: So, just to confirm… sorry, go on?

Respondent: I was going to say I’ve realised that I haven’t given you the pre-interview data request but it is now complete. So, I don’t know if you want me to send that to you now. Maybe I can drop it in the chat?

Interviewer: Yeah, that’d help because then rather than you giving me all that information, I can just look at it as we’re going. And you did send back the consent form saying you were happy to take part and happy for this to be recorded so I’ve started that.

Respondent: No, that’s absolutely fine.

Interviewer: Excellent.

Respondent: See if I can drop this file in the chat. It’s saying no.

Interviewer: Well, just email it to me, if that’s as easy.

Respondent: That’s fine, I can do that. The chat doesn’t allow…

Interviewer: Maybe it’s because you’re external. There’s a whole set of rules that I don’t…

Respondent: I’ve been running against the clock, sorry.

Interviewer: I do appreciate your time, I know you’ll be very busy.

Respondent: No, that’s fine, it’s really important to do these things. So, it’s not a problem, it’s trying to squeeze it all in, isn’t it?

Interviewer: It is, yes.

Respondent: I’m just searching for your email address.

Interviewer: Shall I pop that in the chat, will that help?

Respondent: It could well do, actually. I think I’ve got it there now.

Interviewer: I’ll pop it in just in case.

Respondent: Yeah, that’s, I’ve got it, I’ve got it. Do you need any text or I can just drop it as it is?

Interviewer: No, just do it, yeah, that’s fine. So, while I’m waiting for that to arrive, well, once you’ve sent it, I shouldn’t ask you to think about too many things at once.

Respondent: There’s a couple of points on there, actually, that [name] hasn’t done, I’m just reading down… I can probably complete that actually, sorry, that’s annoying, I should have done that.

Interviewer: No, that’s okay.

Respondent: Number of vacancies? As many as I can get. Right, let me send that again, apologies.

Interviewer: No, that’s okay.

Respondent: And then we’re done and then I’ll give you my undivided attention.

Interviewer: Yeah, I think that’s just come through… oh no, that’s still the first one, I think.

Respondent: Download PDF, that goes into there… the two files are the same but I’ve just dropped the percentages in.

Interviewer: Okay.

Respondent: Right, I’m all yours, I’ve taken my hand off my mouse.

Interviewer: That’s okay, not to worry. I shall look at the first one for now. It just means that you don’t have to spend ages giving me lots of information, I can just look at that.

**INTERVIEW BEGINS.**

Interviewer: So, do you want me to tell you little bit about the project or do you think you’ve…? It’s actually funded by the National Institute of Health and Social Care Research but it’s sponsored by the Department of Health and Social Care. So, our aspiration/expectation is that they will use our findings in terms of their policy, hopefully. We are doing a number of things in the project. There’s a big part of it that looks at adult social care workforce datasets, analysing pay, pay levels, pay modelling, looking at the influences of things like local conditions, local authority fees on those pay levels and also on turnover, retention, skills acquisition, those kinds of things.

So, those are a big part of the project. We have also sent out our own survey so, hopefully, you’ll have seen that, again, asking about pay and pay strategies and how important providers think pay is in terms of attraction/retention quality.

And then, in this part of the project we’re talking to a number of providers and care workers themselves, again, about absolute pay levels but, more importantly, the things that underpin those so why do you pay what you pay, what are the influences on that, how important are those things in terms attracting and retaining? And then care worker perspectives themselves about how they feel about their pay.

So, one of the things we’re quite interested in is pay as one of a number of employment matters and we’ll go through those. And some of those might be training, some of them might be zero hours versus guaranteed hours contracts, those kinds of things.

So, I’ve got a series of questions to work through but equally, if I don’t cover things that you think are really important, then please feel free to add those in, either as we go along or I’ll ask you again at the end. But perhaps, before we get into all that, if you could just tell me a little bit about your business so I’ve got an understanding of the kind of care that you offer and the background you’re operating within.

Respondent: Yes, of course. So, [business] is an independent business that operates across [local authority names], the two county councils and we deliver, predominantly, visiting care or hourly care, however you choose to term it. It’s, essentially, carers into individuals’ homes for short visit durations so, predominantly, up to four hours. Now, we do a few long sits and we do a few nights but predominantly, it’s half hour, hour, 45 minute calls.

Interviewer: And you are predominantly 75% local authority funded, those two, then, local authorities that you just mentioned?

Respondent: Across both, yeah. Essentially, they’re very similar. Local authority covers NHS Direct, CCGs, ICBs and Social Services. So, that makes up 75%. And 25% would be an individual who pays us directly.

Interviewer: Okay, that’s really helpful. So, just tell me a little bit, then, about your workforce. I can see that you’ve got 91 altogether, 86 care workers and four senior care workers. What would that look like in terms of gender, age, ethnicity? Again, I don’t need absolute proportions, just your sense of mainly male, mainly female, etc.

Respondent: So, predominantly female, probably, I would say, as high as 85% or 90% female. Age is a very wide spectrum. I have what I would call a significant number of staff in their 20s…

Interviewer: We’ll come back to it.

Respondent: We’ve had 14 maternity leaves in the last five years. So, I feel like we represent well the working age mum. And quite a few of my key staff, two key staff are currently on maternity leave and I think I can go into both offices and there will be staff there who have gone through maternity with me and have got grandkids.

Interviewer: That’s interesting.

Respondent: And I think that’s unusual, which is why I kind of… it might be that I’m just a man who loves babies, so what, you have a child, absolutely, we’ll find reasonable adjustments and exchange that for lovely cuddles…

Interviewer: Yeah, but a lot of the care workers are 45, 50 plus aren’t they so you don’t get that. I’ll come back to that demographic, I’m interested in that kind of wide range as we go through. And sort of ethnicity, are you reflective of your local population?

Respondent: I think we’re reflective of the local population, which doesn’t mean that we are, perhaps, as equal in employing under-represented groups as we could be until very recent times. And the skilled worker visa has really allowed us to identify under-represented groups or under-represented groups have been able to access our employment is more truthful.

So, I would say, now particularly, it’s those members of our staff who are predominantly doing the bigger hours, the 40 or 50 hour weeks. Then I would say we probably have a much more balanced employment.

And as far as ethnicity, now we’ve transitioned to a business that represents more than our local community in terms of under-represented groups…

Interviewer: Right.

Respondent: From the LGBTQ+ range it’s something I don’t get involved with because it’s a personal thing. But because we don’t have sexual activities within the business, it’s not a business function, then people’s sexual preferences are something that is of no concern to me and, therefore, I don’t monitor or highlight people’s preferences…

Interviewer: No, that’s fine.

Respondent: …particularly as a preference can change or it becomes quite personal. And, therefore, I found that we were starting to look at sexual preferences on appearance, which is totally wrong.

Interviewer: No, no, that’s absolutely fine, completely understandable. Can I take you back to – we’re jumping around a bit but let’s go with the flow – international recruitment. Can you tell me a little bit about why you’ve done that, how you found that, benefits, drawbacks?

Respondent: Why we’ve done it is because it gives us access to a stable workforce and there is need and there is unmet need and we can put the two together. We’re concerned about the overseas recruitment for a number of reasons. One is that it’s creating turbulence in the sector so we’ve got a strong workforce in new providers who are popping up and finding they’re having to lower their charge rates to get work. And so, volumes are shifting around to those businesses.

We’re also concerned over modern day slavery concerns that even well-intended providers who are working the sponsorship licence are falling into modern day slavery issues such as providing accommodation and putting staff on zero hour contracts so broaching their licence conditions. And we’re also concerned and we’re trying to actively recruit survivors of modern day slavery issues so trying to ensure that people are already in the UK who have fallen victim to a sponsorship licence that has been revoked can see fast employment back into the sector before having to leave.

Interviewer: I’ve heard that that’s the speed then. So, you’re not alone in those concerns. But other providers I’ve spoken to have said it’s been a really slow process to get the visa transferred; that’s been problematic.

Respondent: Yes, you are at the whims of the UKVI and there seems to be certificates of sponsorship licence CRSs. So, that can be very slow, people are held with job offers who aren’t able to access their sponsorship licence owing to that. And it does take time for people to land on UK shores and get settled. But we’ve also found there’s an awful lot of staff on UK shores that are readily available for work and they might have been here because of their spouse who…

Interviewer: Okay.

Respondent: …spousal arrangements and they haven’t realised they’re now able to work, whereas they might have been here for many, many years without the ability to work. So, that can be much quicker, particularly if you’ve got your CRS in the bank, so to speak, ready to go and you find someone who happens to be in your area who didn’t realise they could work. And that’s a much quicker process.

Interviewer: And so, how many of your staff would be international in the sense of being on those visas where they’ve actually they’ve arrived on these shores or where they’ve suddenly had an entitlement to work?

Respondent: We’ve got nine…

Interviewer: Okay, it’s quite a proportion.

Respondent: A good proportion, actually. And two of those were from overseas, technically overseas.

Interviewer: Okay, so, the others were already here and had suddenly acquired the right to work?

Respondent: Yeah.

Interviewer: Oh, that’s interesting.

Respondent: Very targeted advertising to say that before we ship somebody in on an aeroplane, let’s see if there’s a resource available domestically.

Interviewer: Okay, that’s really interesting. So, to go back to pay, then, you’ve given me your pay levels, could you explain the rationale? How did you arrive at…? So you pay £10.75 as an entry rate and then it goes up to £10.93. So, I’m interested in what informs those figures and how people progress from the bottom to the top of those figures.

Respondent: So, [name] has been a bit… potentially, I might just share our, I want to share my screen, if that’s okay because pay is really, really complicated in our sector. Bear with me because I need to… and there are a few things that make it complicated. Do you mind if I share my screen?

Interviewer: No, please do.

Respondent: Fantastic. It’s a question I can’t articulate in an easy answer, I’ve almost got to take you through it.

Interviewer: No, that’s fine, really helpful.

Respondent: I don’t know if I need permissions, potentially, to share.

Interviewer: I don’t know how I give you that. It says you’re a guest.

Respondent: I’ve got it, I think.

Interviewer: Excellent.

Respondent: Okay. So, this is our pay structure and we can see… so, before the detail, I’ll run you through what’s going on. I’ve got Level 1, 2, and 3 in [area], I’ve got Level 1, 2 and 3 in [county]. And each one has a contact time, a travel time and a pension associated to the contact time. So, we’re on A, B, C rate. And then on top of that, we’ve got mileage and holiday pay, which gives a total pay.

Interviewer: So, just so I understand this fully, you’re paying 45 pence per mile?

Respondent: Yes.

Interviewer: And then you’re paying somebody however many minutes that is, it’s 72 pence so it’s a few minutes on top of the £10.82.

And then the holiday, you pay them for that, you roll that up into their hourly rate as opposed to giving them a holiday, is that how you do it?

Respondent: No, so holiday pay, that’s at 12.07% of the hourly and travel time gets put into a holiday pot. So, that’s their accrual rate. And then when they apply for holiday, they draw down from their holiday pot. So, it’s not rolled up, which is slightly…

Interviewer: They don’t actually get that money, they get the paid leave from the pot when they want it?

Respondent: So, if they only work an hour, so these two columns, pay and travel time, are both averaged on this form. So, the average person receives 72 pence for every hour of contact time. But if a carer only worked a block of flats, then they would actually receive very, very, almost nothing travel time, versus a carer who might say, “My first call is in [town], my second call is in [area], my third call is in [area],” they’re going to receive tons of travel time. So, this one, we can only estimate the average.

Interviewer: Yes, okay.

Respondent: And the same with mileage. If a carer worked in a block of flats, they would receive no 45 pences versus someone who works [areas].

Interviewer: Yep, okay, I get that.

Respondent: So, I look at payroll, look at whether up or down a bit, those figures…

Interviewer: And then you give evening and weekend enhancements, as well?

Respondent: Exactly. So, after 7:00 it goes up and weekends for each level.

Interviewer: And how do they go from Level 1 to 3, then, how is that decided?

Respondent: Carers on the frontline, it’s linked to NVQs. So, everyone, regardless of age, will get Level 1. If you come to us with an NVQ Level 2, then you get on here and then NVQ Level 3, you get onto this rate.

Interviewer: Okay, so it’s wholly linked to that. So, you wouldn’t look at experience and competence, they would have to actually get the qualification?

Respondent: I’ve often looked at whether experience and competence moves people up and I’ve done that to our other positions that are banded. So, you can move from a Band A to B to C to D, not necessarily based on actual qualifications. So, I do that in a different form for support work, for senior positions, for contractor positions, for supervisors. But on our direct care level, then I’ve just kept it at NVQ Level 2 and 3 so we offer fairness and equality.

Interviewer: So, Level 3 is a senior care worker or is that different again?

Respondent: Level 3 would be… they can be senior care workers but you could have a… if an entry level carer came to me with an NVQ Level 3, they would move onto that NVQ Level 3 pay rate.

Interviewer: But not be yet a senior care worker, that would take them some time?

Respondent: Yes, I mean, we can put them direct into senior. But typically, as senior, we want them on fixed contracts where we’re paying them a salary rather than hourly rate. So, our advertisement of a post becomes, you know, what we’re saying here is very much around the pay per visit or the hourly rates…

Interviewer: Okay. So, your senior ones are more senior again and as you say on guaranteed hours contracts, not zero hours?

Respondent: Yes.

Interviewer: And what is the difference in rates, what drives the difference in rates between [area] and [area]?

Respondent: Typically geography. So, we compete in [area] with London weighting so we have to pay a bit more. There’s also, under here, there’s a rural so that’s not it, maybe it’s lower down…

Interviewer: Rural.

Respondent: …which is a kind of in between. So, £10.90 versus £11.12, versus £10.82. So, it’s somewhere in the middle. So, I’m checking up and down because I’m unfamiliar with this workbook. But a rural would be, it’s because it’s getting closer to what’s known as [area name], so around [area] there’s an increase in pay because the demand for the types of staff. So, you find the pay increases as you get towards the… and then it sort of tends to decrease a little bit as you go further north, then it increases when you get into [area] because of the London weighting. So, competition for staff drives it.

Interviewer: Competition for staff, okay. I’m interested in that versus things like the national living wage, the real living wage, etc. So, it’s more about competition for staff than those other kinds of wages?

Respondent: I think the two are hand in hand. You know, if all your competitors are ignoring the national living wage, then it becomes less of an issue, then.

Interviewer: So, you’re already above it, essentially?

Respondent: Yeah. We always make sure we’re above national minimum wage and we aim to… it depends how you look at it. You could take these three figures here and so, we’re paying £11.89 an hour but it’s how you deconstruct it. And some companies will simply give these figures. In fact, some companies will advertise they’re paying £14.90 an hour because they include their holiday. Or they might include their holiday but not include mileage or travel time or not pay travel time at all.

And it’s really unfair, I think, on the workforce because it’s hard for them to compare apples for apples on job adverts when they don’t know whether… say, I could advertise the same role and I could pick to advertise £11.89, I could pick £10.82 or I could pick at £14.90. And therefore, it’s really hard for people to really unpick how much they earn. In the same way as when you get your payslip from me, the pension, which is 35 to 44 pence an hour just on the entry level position, isn’t shown on your payslip. But that is pay.

Interviewer: But not disposable.

Respondent: It’s something that the people don’t see. So, our workforce really struggle with pay in that regards and understanding, “Well, what am I actually paid?” And they often say, “Why can’t I just have an hourly rate?” And, of course, you can when you produce salaries because it includes all of these things…

Interviewer: Okay.

Respondent: …but not when you’re paid by the hour.

Interviewer: Yeah, it is interesting. You’re working with two different local authorities I think you said. So, what influence do commissioning rates have on that rate, which I know is fairly self-evident? But do you see differences between the two local authorities and is that reflected in those rates?

Respondent: Yes, the answer to the first question is it’s very significant because when you’re paid a £1 you can never pay out £1.01. So, you are constrained by the revenue you bring in. Any my motto is always to make sure the pay is the maximum it can be.

The difference between the two, so, historically, both local authorities have paid reasonably well in terms of revenues and charges. Where [LA1], which is coastal, has been the better payer and, therefore, the pay here has increased by bigger margins. Whereas [LA2] local authority have been the poorer payer in recent times. And they haven’t been meeting the full national minimum wage increases, uplifting their fees to cover that. And therefore, over time, these pay rates have fallen behind in what they might have been about five years ago.

And it’s fair to say that both local authorities are putting our overall pay under considerable strain…

Interviewer: Because of their commissioning rates?

Respondent: Well, two main reasons. One is the commissioning rate and I think that’s sort of evident, the bigger the rate coming in, the bigger pay is going out. But actually, it’s the volume that they’re commissioning is as important as the rates they commission at.

Interviewer: Could you say a bit more about that?

Respondent: So, if you’ve got big volumes coming in, then you can spread your back office costs over more hours, which makes them cheaper. And as they become cheaper, the business has more funds to put onto the frontline workers. As volumes have dropped because they’ve become diluted, then your back office costs will increase even if your actual rates don’t increase. The cost of running increases because you're spreading it over fewer hours and, therefore, the amount you pay the frontline carers becomes much more problematic.

Interviewer: And why are volumes dropping?

Respondent: Volumes are dropping because of marketplace dilution. So, driven by the overseas recruitment, there’s been a capacity surge in the sector but it’s popped up in all different places, not with the companies who have invested in and have established support teams, supervisors, managers, coordinators, trainers and the facilities to go with that. And what that’s created is a competitive race to lower charge rates so that the businesses with overseas recruitment can win the work.

Interviewer: So, you are wholly spot commissioned, then, you have no block commissioning?

Respondent: Home care has, if there’s evidence of 2% of all home care that’s on block, I’d be surprised. And home care is traditionally zero hour framework agreements. And we traditionally employ zero hour workers to fulfil those contracts.

Interviewer: You’re right, that’s absolutely typical. But interestingly, other providers that I’ve spoken to in different geographical areas, and this is the bit I’m particularly interested in, then, are saying that the curb on their growth is not availability of the work from the local authority, it’s the availability of staff. But that obviously in your geographical region, then, it’s playing out differently, you’re seeing increased provision through international recruitment and that being, perhaps, a curb on volume.

Respondent: I think if you’d asked me any time over the last 10 years, I’d have answered the same and said no, the issue is with staff. If you don’t want my staff, I don’t want my business. But actually, as I’ve been looking into this issue, and this is only the last few months, what I’ve realised is actually, there isn’t enough work to go around so if every single provider had enough staff, they’d suddenly go, “I’ve got a new problem, I don’t have enough customers. There’s not enough service for these staff.”

So, I actually think that it’s wrong… that is strong but I think it’s fair to say that’s a wrong assumption or an assumption that’s quite narrow, that doesn’t take into account the wider complexities in the marketplace. So, for example, 18 months ago there were about 80 providers in [area], to which sort of 60 or 70 were active. And we were delivering, this is commercially sensitive, but we were delivering sort of 1,200 or 1,300 hours a week and we didn’t have enough staff and, therefore, we were saying if we had more staff we could do more hours.

What’s happened now is that there are 200 providers in [area], to which 185 are active and there isn’t enough work when we’ve dropped by about 45% in volume in [area]. And at the same time, [local authority] has commissioned almost the same amount of hours across its home care marketplace.

Interviewer: And that growth in provision, then, or providers is to do with international recruitment, you think?

Respondent: International recruitment has brought new entrants in. I also think it’s a Covid hangover in the sense that the sector was pumped a lot of money in grants and also, the sector proved itself to be resilient from recession and other market shock that the pandemic presented. So, it’s meant that increased balance sheets have made it very, very attractive for venture capitalists to come in and start buying up. And when you put all of those things together, it’s meant this is a very, very good marketplace for new entrants to come in and open shop with very, very low capital required to open a business, very easy to enter the market and that’s why we think we’ve seen an, and I think explosion is the right word, an explosion of new providers.

Interviewer: Interesting. Because I’m not hearing that everywhere. So, I guess, geographically, there are different kinds of patterns emerging. But that is really interesting.

Respondent: I think we’re trying to understand the market, understand what’s happening in the market and also making sure that we’re not peddling the same rhetoric that we have been just because we understand that. So, it’s fair to say that we have struggled, the market has struggled to find new staff but what the local authority have been doing is welcoming new entrants over the years because they think that will bring new capacity. But all new entrants do is simply take capacity from…

Interviewer: Elsewhere.

Respondent: …the providers that are already operating.

Interviewer: Yeah, yeah, no, that’s really interesting.

Respondent: It doesn’t actually help, it just dilutes everybody. And I think that point was never understood by the market until we get the scenario where it suddenly boosts because of overseas recruitment. And it’s only now, I think, providers are waking up going, “Hang on, it’s not just that I don’t have enough staff now, it’s that even if I did have enough staff, there’s not enough packages to keep those staff gainfully employed.”

Interviewer: Yeah, that’s really interesting. So, just to move on slightly or a different part of that, not just about hourly pay rates but working patterns, so you have got the majority of staff on zero hours contracts. So, could you tell me a little bit about that and the difference between why they would be on zero hours contracts and then your 19 on guaranteed hours?

Respondent: It’s staff choice. So, years and years ago, I was trying to get all of my staff on guaranteed hours and I couldn’t, and I couldn’t because the staff don’t need to give anything up all the time that the business is ringing them saying, “Please can you work? Please can you work?” And also, all the time there’s a queue for hours, the staff are happy to have zero hour contracts, saying, “I will choose when I work. I will choose when I say yes.” Because when you get guaranteed hours or salary positions, then business dictates, through a pattern, through agreement, when a member of staff works or when they don’t work.

And I’ve often thought that the zero hours contracts would evaporate if there was a queue of carers for the employer. And then when there’s a queue of carers, then those who are employed will choose, actively choose to have a guaranteed position because they will not want to miss out on work.

Interviewer: Okay. So, while there’s lots of work, they can dictate their own flexibility by being on zero hours? Have I understood that’s what you’re saying correctly?

Respondent: Exactly. If I was working for somebody and they were ringing me every single week saying, “[name], please can you work? Please can you work?” why would I agree to a shift pattern that guarantees I wouldn’t be working these particular weekends and these particular evenings and part of that guarantee is I have to go where you tell me to go and part of that guarantee might be that because you’re guaranteeing me work on the hour every hour, that my hourly rate is technically lower?

Interviewer: So, on zero hours, then, I guess it’ll change by individual preference but could you say typically how many hours a week people would work?

Respondent: We try to say we’ll guarantee you 75% of your availability or we’ll guarantee 90% of your availability…

Interviewer: But they specify their availability and then you try to fill that?

Respondent: Try to fill it. But it just wasn’t successful in the sense that staff didn’t want it, they didn’t want to be available for zero hours. Zero hours works for them…

Interviewer: Do you not then find, though, that they get lots of gaps in their runs?

Respondent: I’m going to come onto that…

Interviewer: Okay, go on.

Respondent: …in a minute about why pay is quite a murky subject. Now that staff are finding those gaps in their runs and the reason being that when a customer dies and in home care, typically, you will always lose your customers because that’s the nature of looking after someone who is vulnerable towards the end of their life. And historically, when a customer died, you would simply replace them in a heartbeat, so that was fine and, therefore, staff didn’t really have gaps and didn’t experience that.

What’s happening now is that providers aren’t able to replace the customers when they lose them because of dilution. And, therefore, staff are now seeing gaps in their rotas and, therefore, they are starting to pressure businesses for more work. And the idea of moving onto contracts and salaries is becoming now more appealing. But it’s at a time when providers can’t really give those guarantees because they’re not seeing the replacement of customers when they leave the service.

The reason I say that pay is murky is because of call cramming and call clipping. So, there is systematic call clipping across the sector, to which the local authority is the main beneficiary of that. And what happens is that a carer will maybe do a 30 minute call in 10 minutes, maybe five minutes and they’ll be paid for the full half an hour. And what a carer will do to boost their wages is they will do two, three, four half hour visits in the same half an hour period. So, they can double, treble or quadruple their pay.

Interviewer: So, some local authorities are asking people to check in electronically and monitoring, in fact, sometimes only paying, in fact, for the 10 minutes they’re there if they’re not there for 30. So, local authorities that you work with are not implementing those systems?

Respondent: They’re paying. And they’re putting their sort of hands over their eyes or their fingers in their ears to this problem because there are a great many providers in our two local authorities that will be accepting providers, what’s called pay on planned. So, if you’ve got a half an hour visit, you’ve got to get half an hour paid, regardless of how long you were in the visit for. And that skews the marketplace pay because staff know, you know, “If I get £11.00 an hour, but actually, I can make that to £33.00 if I’m call cramming.”

Interviewer: How would you know as a provider? How are you requiring staff to check in and check out?

Respondent: We use electronic booking on and off system, which I think a lot of providers do. But we dictate a minimum duration stay in the visit and what happens if you leave early, you have to tell us why you left early and, therefore, we only make a decision on whether we make your pay up to the full duration or not.

Interviewer: But other providers are not doing that? They’re looking the other way or tolerating?

Respondent: Yeah. What we’ve done is we’ve become a recruitment provider, well, recruitment agent for our competitors because people will come in, have a sniff around and go, “Well, you don’t do call cramming? The manager’s on my back, my line manager’s on my back all the time.” So, they move on to another business. And we have it time and time again.

Only last month, a carer joined and said, “Do you know, I’m doing 60 or 70 hours a week.” We were like, “Wow.” When she first joined, she only had availability for about 40 hours so we questioned her and she said, “No, it’s fine if you’ve only got 40 hours a week, that’s fine.” And three days in, when she clocked that we would make her stay or, at least, evidence why she left early, make her stay the full time for the full pay, she immediately walked out halfway through a run and said, “I’m going to back to where I worked because I could earn a lot more money.”

Interviewer: Right. And your local authority doesn’t have systems, then, to pick that up?

Respondent: They have no clue. And I say that quite respectfully to the commissioners who are there but the reason they have no clue is because they have no resource to…

Interviewer: Right.

Respondent: …for the marketplace. They’re not looking at that because they’re the beneficiaries of call cramming. It lowers the charge rates for them because that’s what a provider would do when they’re call cramming that much and they’re able to pay a member of staff two, three, four times the amount of technical hourly rates as they would do. They are also able to charge two, three, four times the amount of technical hourly rates they can do. And through that boosting of revenue and pay, they can hold onto their staff above the competition. And they can also lower their charge rates to keep them winning work.

Interviewer: So, the local authorities may not be aware but the providers must be aware or are complicit in that, essentially?

Respondent: Yeah, I think that’s fair to say. That’s a fair statement.

Interviewer: Okay, that’s what, I was going to say helpful, alarming but helpful.

Respondent: It’s alarming but it’s good… you know, I really wanted to make that point…

Interviewer: Yeah.

Respondent: …because when we talk about pay, as I say, if we want to compare apples to apples, why is it that somebody who is paying £14 or £15 an hour cannot get carers against someone who advertises at £11 an hour? It makes no sense. You’d think the £15 an hour person would win hands down? But the £15 an hour person will say, “If you want £15 an hour, you do the job properly.” And the workforce would simply tell them again, “You can have your £15 an hour because I’d rather have £11 an hour but I can multiply it.”

Interviewer: No, you can see that, absolutely.

Respondent: I’m using very short language to…

Interviewer: No, no, absolutely understand, yeah, absolutely understand. Thinking about other forms of reward, obviously you do pension, you do the 3%, is your contribution 3%?

Respondent: Yes.

Interviewer: Sick pay?

Respondent: SSP.

Interviewer: And then other things, other things that you do, I don’t know, bonuses, Blue Light, gym membership, whatever it might be?

Respondent: Blue Light by default to all staff. We have an EAP service, which is free mental health, financial abuse, domestic abuse, living accommodation support, any kind of mental health trigger, really, is covered under that and staff get a minimum of six face-to-face sessions with a qualified counsellor and more if need be and access to a 24/7 phone line.

Interviewer: And what about forms of non-financial recognition, something like, I don’t know, employee of the month? You tell me, do you do other things that you do?

Respondent: We run care friends, which is a referral scheme process, predominantly. But actually, we use it for recognition and reward and reward not necessarily being financial. So, staff can earn loyalty points and go up leader boards and just show where they are shining. And then we also run, what’s really important to us is a letter recognition for outstanding contribution or through recognising compliments. So, any member of staff can, on their device, can say, “I have had a compliment,” and that pings straight through to us. And our action is to take that feedback and type it into a letter, this is very old school, actually print it and ask the Royal Mail to deliver that to someone’s home as a thanks and appreciation. And we find that really resonates well with staff.

Interviewer: So, thinking about the pay and all the other things that we’ve talked about, in your view, what is the most important in attracting people in and retaining people? What is it people are actually looking for?

Respondent: I think it’s reviews. I think it’s where the DNA of the business is a caring and compassionate one. And I think people look at reviews more than they look at pay when they’re looking to join a business. But there are two types of workforce. There’s one that is looking for their own opportunities so we’ve talked about access to a company car that they’re not taxed on is another very good point that can attract and retain members of staff. And those kind of staff are looking for what they can get out of their sort of job.

And other staff who aren’t money driven are looking for the rewards they get and those rewards being reinforced by the company they work for through recognition, through thanks and appreciation, through effectively taking the Thursday evening ‘clap for carers’ down to a micro level to that individual.

Interviewer: No, that’s really interesting. In terms of turnover, you said 17 this year, which is not quite over out of 91. So, how would you characterise that? Would you think that’s normal, would you think that’s high?

Respondent: It’s interesting, that figure really jumped out at me. I wouldn’t think we’d gone under 91, because we’re making more payments than that into payroll. So, we had about 106 payroll last time so I’m not sure where 91 comes from. Although, we look at our… our retention rate is something like 5.57 years…

Interviewer: Right.

Respondent: …staff are currently in the business. We will remove from that statistic staff who have left. So, that’s average length of stay for the current stayers, which we think is quite strong. But what we find is we can attract staff in very easily. We can get staff into our training rooms with relative ease. What we can’t do is have those very new starters stay more than that magic sort of three months mark because of our pay structures. And that is often cited in their exit interviews, that there are other businesses paying considerably more money. But that doesn’t mean a higher hourly rate.

Interviewer: And is that care businesses or…? I know we’ve discussed that. Is that other businesses, you’re losing to hospitality, retail, whatever?

Respondent: That’s predominantly care businesses but, however, competing with the supermarkets, you know, readily on £11.50 an hour, £12.50 an hour is commonplace, as well, with access to discount food, cards, which we find is a real tug on our workforce. We’re also seeing healthcare assistants being quite a pull on our workforce, as well, within NHS doing what they consider the same job but in the confines of an air conditioned/heated environment without the impact on their car. And some go that route. So, we are losing out competitively to other sectors and also uncompetitively to the same kind of sector who just will allow for boosted pay.

Interviewer: Okay. And do you use agency or bank staff?

Respondent: No.

Interviewer: And so, do your current staff work extra hours, then, is that how you…?

Respondent: Yes. We lean on each other to cover the calls, to cover the responsibilities we’ve got.

Interviewer: When people come in, do you pay for induction training, DBS, uniforms?

Respondent: Yes.

Interviewer: All of those?

Respondent: Yes. We put all of those… we have an indemnity which says if somebody leaves within 12 months, that their investment employment costs are paid back one twelfth at a time. So, we value, I think everything is £240 and so that diminishes by £20 per month if they work with us. And except for overseas recruiters who are exempt from that, overseas induction, and we haven’t put this in yet because of modern day slavery concerns about but I’m going to check legally, but we expect to have their visa fee indemnified over the length of their visa.

Interviewer: Right. And so, if they move somewhere else, you would ask them to repay those costs?

Respondent: Yes, potentially.

Interviewer: Do you think the cost of living crisis, have you seen that impact on vacancies or turnover?

Respondent: We have seen a slight increase in staff… I think because of the dilution, it’s harder to see because there are many, many providers. But those few voices that we do hear, it can be, “My partner’s lost their overtime so I need some extra money.” Or, “Our mortgage rate has gone up so I need some extra money.” Or, “I was self-employed as a PA but I’ve lost my significant customer so I need some extra money.”

Interviewer: Right. And what about things like travel costs, are you losing people to, say, residential homes where there’s no travel costs?

Respondent: More losing them to supermarkets, I would say, than residential homes. We did lose a few over the years but not in any great numbers.

Interviewer: Right, okay. So, of those aspects of your employment package, the things we’ve talked about, your pay, hours, training, what do you think is the most important in attracting and retaining your workers?

Respondent: Most important? I think it’s the culture. So, unfairly, to answer that question, it’s probably a little bit of all, the quality of the training, having that training inhouse. That can turn people off, as well, you know, if you’ve got someone who is completely inexperienced, they lean on that inhouse training considerably. If you’ve got someone who either thinks they have or have been around the block or have got that experience, they can find the training a real hindrance or, “Crumbs, I haven’t been trained to that level of detail before but I’ve been doing this job for 10 years or 15 years.”

But I think it’s about how each member, as well as the support teams, so from your trainer to your administrator to your coordinator to your deputy manager to your recruiter, it’s how all of those people interact I think is what makes the difference.

Interviewer: Right, okay, so culture is, perhaps, the most important thing. Clearly you have to get your pay rates right but it’s much broader than that is what you’re saying?

Respondent: It is. The reason we don’t worry about pay is because we know we can’t compete with pay. So, we have seen our business erode from 5,000 hours a week, which we were doing 10 years ago, we now do only 1,700 hours a week. And we can tell you exactly why that is because we lose staff on pay. But we don’t lose staff from the hourly pay, as we’ve talked about at length, we don’t lose staff on the hourly pay. So, there’s nothing I can do about it so I’ve made a conscious decision I would rather have a smaller business that maintains its quality than a large business that has no quality or less quality.

Interviewer: And engages in those questionable practices.

Respondent: And one day, if I go bust, then I will say well again, I would not join those businesses who trade without that quality. And I really hope the regulators in HMRC, the local authority, safeguarding boards come together and say, “We’ve got to sort this out,” because we would rather have the business I’ve got now of doing 5,000 hours of quality that can be scrutinised and can be challenged and can be sort of data interrogated over many, many, many businesses that we actually don’t know the name of the owner with, we can’t keep up with their change of manager and we’re not really sure what they’re up to. And until the marketplace turns round, I’ve just got to do what I can do.

So, the answer to that question is absolutely, we lose out on pay but I have to be really cautious…

Interviewer: Yeah, because of some of those practices. So, my last set of questions, we may have covered them but, perhaps, just to make sure that we’ve talked through everything we need to, it’s around the local authority, your relationships with them, how they go about commissioning you. Are there quality clauses in there? Do you get uplifts, you know, if the national living wage goes up, do you get uplifts? Just tell me a little bit about your relationship. You’ve got two different authorities so you might have different relationships?

Respondent: Yeah, we’ve got a really good relationship with [LA1] but I’ve spent a long time on the [LA1] Care Board, really bridging that and trying to work in collaborative partnership working. And [LA1] has seen some of the best uplifts per year across the UK in percentage terms. For all of that fantasticness that has, they have never once met the national minimum wage in its percentage rate in full in the last seven years.

Interviewer: So increases, you mean, they’ve not increased to that level?

Respondent: Yes. So, we have a formula that certain increase, the national minimum wage increases by 10% and the home care business, they need an 8% increase in their charge rates to cover that 10% increase in minimum wage costs because 80% of our turnover is frontline based, is staff, is wage based. So, there’s a formula for working it out. It’s about 66% residential and it’s about 80-something percent in home care.

So, we need 0.8% of that national minimum wage uplift. And for the last seven years, they haven’t achieved that. They’ve got, maybe, 70% of the way there, sometimes 80% of the way there, they’ve never got 100% to cover it.

So, what happens in the home care market is you become… if my right-hand, this hand, represents minimum wage, our minimum wages get closer and closer and closer to minimum wage and our differentials between our entry staff and our managers becomes more narrow. And when we’re not meeting that increase in full, that’s the outcome of it, which is why we now have a sector that pays very close to national minimum wage. In fact, arguably, many providers will probably breach national minimum wage compliance once the full travel time is factored into their wages.

Interviewer: But there’s no monitoring of that, there’s no quality assurance of that, is that what you’re saying?

Respondent: The local authorities don’t have…

Interviewer: Capacity.

Respondent: Some facts in [LA2], in February this year, they started quality assuring. They get quite prickly on this because they believe they’re always quality assuring, but they had a dedicated team doing spot checks on their providers and they can do five per month. So, you could be a provider in [LA} and have a three year wait for your first quality assurance check.

Interviewer: Right, okay.

Respondent: Which is why I made the statement they’re not doing it. But, you know, there’s good reason for them to argue against that sort of more clipped language I’m using. So, it is happening but it is not happening at a meaningful rate that will bring positive change to our providers to compete for quality properly.

Interviewer: Is there anything else I’ve not asked that you think is important that I know you would like to ask? Because I’m conscious of your time and I’ve come to the end of my questions.

Respondent: I think travel time is a tricky one because there’s a reason that companies can’t pay travel time and that’s because of commissioning practices and also call cramming. It kind of all merges into one. Historically, a 30 minute call, the commissioning of that call would allow for reasonable travel time. So, the carer might be permitted to leave a few minutes early in order to get to the next visit. So, your travel time is sort of wrapped into your contact time. And when you have got that, it’s really hard and I think that’s quite legitimate. Where it becomes a problem is when that sort of legitimate way of commissioning is extended down to five or 10 minutes into a 30 minute call rather than a few minutes.

Where it becomes really hard is if you’re paying someone for 30 minutes and they leave a few minutes early, you’re still going to pay them for 30 minutes. If it takes three minutes to get to their next visit, if you give three minutes but they’ve booked off three minutes early, you’re now technically double paying them for those three minutes. So, it’s really, really hard for providers to pay separate travel time.

So, therefore, there’s an argument that we should be, to counter that, we should be paying people by the minute and commissioning by the minute. But my counter to that is that that’s absolutely fine but you have to allow for every single minute. So, we have to pay the travel per minute to the kerbside, then we have to allow the minute to go from the kerbside to the front door, then we have to allow for the minute, potentially, of the service user opening that front door. Then we have to allow for the minutes inside the property and then we have to reverse that to allow the minutes after, for the minute for the carer to write the notes up, which didn’t happen within the visit. And then we have to pay for the minutes to travel to the next visit. And it’s those elements which are missed when local authorities commission down per minute. And that’s where it falls over.

Interviewer: Because some do, don’t they? I mean, we have spoken to people who say, “You swipe in, you swipe out, if you’re there for 18 minutes, you get your 18 minutes.” So, there isn’t that extra 12 minutes that they might get paid for unless you’ve just said there isn’t all that extra activity that’s funded either.

Respondent: Yeah, and it’s a problem. So, the commissioners go, “Oh, we need something really simple, we’ll just condense all of those activities into the contact minutes.” But that can leave a brand new carer really quite unfairly out of pocket when they’re struggling to get to the next place, they’re struggling to read the care plan or write the visit notes and interact with that. But they’ve already booked off of that visit because the customer’s got everything they need to do.

So, it’s really complicated. But at the same time, paying and charging by the minute does allow for the full minutes of activities to be allowed for.

Interviewer: If those other things are costed in, which often, as you say, they aren’t.

Respondent: Yeah, it’s very, very hard. And, therefore, I do sympathise with the commissioners and why they wrap everything into contact time and go, “Yeah, we’ll just pay for 30 minutes,” and you go, “Yeah, okay.” But then, what I want to do is move the conversation to, “Well, if everything’s in contact time, what is the acceptable minimum duration stay on a 30 minutes?” Like if [worker] leaves at minute 27, is that okay to do all these other things? If they leave at minute 23, is that okay and still do the other things, get to the kerbside to your front door and return again and write your visit notes up and a bit for travelling to your next visit?

And as dilution hits them, the sector, the first thing that increases is that travel time because you haven’t got the customer in the next road, you’ve got the customer three roundabouts away because the market is more fragmented. And, therefore, your travel time becomes a bigger problem. And how staff counteract that is they say, “Well, I need to take more minutes off my contact time to allow for that.” And so, everyone goes, “Yeah, okay, yeah, I can see that.” But then, nobody’s really monitoring or policing that so, therefore, you take that to the extreme and you get companies who literally go, “If you're in and out in five minutes, that’s great, get on to your next one.” And, “10 minutes, that’s fine, get on to your next one.” The member of staff’s pay gets boosted, the company’s revenue gets boosted.

When the CQC inspector comes in and asks that member of staff for their voice, that member of staff will inevitably say, “The company’s fantastic, it’s wonderful,” because that member of staff knows they’re getting a boosted pay from money out of service. The commissioner will say, “That provider’s wonderful because that provider takes the packages when no one else seems to be able to.” And therefore…

Interviewer: It just carries on, yeah.

Respondent: …perpetuates the problem. And what we lose in that system is quality.

Interviewer: Quality, absolutely, yeah.

Respondent: And it’s the vulnerable person who gets the short shrift. And currently, I’ve made it my, as you may tell from chatting, I’m making it my, call it my special interest, I’m trying to bang that drum and say, “Look, we’ve got a problem, we’ve got to call time on this because it’s not right.”

Interviewer: Yeah, you’re right, it’s absolutely not. Okay, that’s really, really helpful. I really appreciate your time, it’s been really insightful, not always in positive ways. But yeah, really important and we will reflect those… you’re not alone in some of those views and we will definitely reflect those back.

So, the report will be out next… by the time the Department of Health have signed it off, it might not be until the autumn but it will go into the Department of Health and Social Care, at least the preliminary findings, in the spring. So, it should be informing their thinking from then but you may not see it in the public domain until the autumn.

Respondent: That’s fine, thank you. We didn’t touch on shift patterns, which is something we do for overseas workers and…

Interviewer: Okay, go on.

Respondent: …which is we run 12 hours days split into two and staff are paid on the hour every hour for that time.

Interviewer: I don’t quite follow what you mean on the hour every hour.

Respondent: So, we will employ staff between 7:00 and 1:00 in the morning and between 4:00 and 10:00 at night. And that tends to work quite well.

Interviewer: And they’re paid for all those hours or only contact hours in that time?

Respondent: No, they’re paid for all the hours.

Interviewer: So, on shift, essentially?

Respondent: Yes, we have frontline workers on shift.

Interviewer: So, how do you do that on zero hours?

Respondent: We don’t, they’re guaranteed…

Interviewer: Oh sorry, that’s your guaranteed, yeah. So, you have a small number of guaranteed on the shift patterns, yeah. And so, your international recruits are in that group? Yeah.

Respondent: Yeah. And it’s a business risk. But what I wanted to say on that, we will sometimes find staff who take that salaried position and then they will suddenly go, “I can’t go into Mrs Bloggs because she’s got cats. I can’t go into Mr Doe because he’s quite aggressive and violent, we don’t really get along. I can’t go into this one because they’ve got a neighbour that is staring at me when I walk in the door.”

And what you find is, then, you’ve got a member of staff who is on a salary who is refusing the key customers and, therefore, you can’t actually fill their run up because they can’t do that visit, they can’t do that visit. And the reason I emphasise that is it’s a really important point of why zero hours works in our sector because there is that cohort of staff who will leverage employment terms in only their position.

And particularly in conversation with Labour saying they’re going to demolish… not demolish, remove zero hour contracts. I actually think that needs to be thought through because a workforce that is paid per visit is, yes, there are some bad incentives that we’ve discussed but there are also some really important good ones in the sense that they have to turn up and they have to do the job. And what would you replace the zero hour contract with is a guaranteed. What we might find is that the workforce then pick and choose much more…

Interviewer: Mm.

Respondent: …people they serve because they’re guaranteed. What’s their provider going to do? We’ve got to pay them anyway. And there isn’t the pay fat in the figures to say, “I’ll give you a basic but if you achieve every single customer that I send you to, I’ll give you a little bonus.” There isn’t….

Interviewer: There isn’t that in the commissioning rate, no.

Respondent: So, when you remove zero hour contracts, I think there’s a real sting in the tail here. They might actually find that it puts businesses under higher pressure, it increases cost and it diminishes the workforce because of those types of issues that zero hour contracts naturally keep at bay.

Interviewer: Yeah, that’s really interesting.

Respondent: And I think that’s an important point.

Interviewer: Yeah, okay, I shall pick that up. Great. Thank you very much, again. Thanks then.

Respondent: You’re very welcome.

Interviewer: Thanks, bye.

END OF AUDIO