

# **Migration Advisory Committee**

## **Call for evidence – EU Exit**

### **UNISON Response**

**October 2017**





## **Background**

UNISON is the UK's largest public service union with 1.25 million members. Our members are people working in the public services, for private contractors providing public services and in the essential utilities. They include frontline staff and managers, working full or part time in local authorities, the NHS, the police service, colleges and schools, the electricity, gas and water industries, transport and the voluntary sector.

UNISON welcomes the Migration Advisory Committee (MAC) call for evidence on European Economic Area (EEA) workers in the labour market.<sup>1</sup> EEA workers help keep our public services running; make a net contribution to the exchequer and are valued members of our communities. This is equally true of migrant workers from different generations from the rest of the world. UNISON has approximately 60,000 EEA members and like other migrant worker members they are active at all levels of the union's democracy, from office or shop floor to local or national leadership. Our response is rooted in this real workplace experience.

UNISON has a long involvement in giving evidence to the Migration Advisory Committee since it was created to advise the UK government. Ours is a rights based approach that does not divide workers into categories with varying status, rights, responsibilities, access to services and entitlements. We will make the case for continued access to the skills and talents of migrant workers for UK public services.

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<sup>1</sup> MAC (2017) Call for evidence on EEA workers in the labour market

<https://www.gov.uk/government/consultations/call-for-evidence-and-briefing-note-eea-workers-in-the-uk-labour-market>

## **Introduction**

UNISON believes that migrant workers bear the brunt of a highly politicised debate around immigration and the UK labour market. Attacks on migrant workers' rights have led to their increasing vulnerability to unscrupulous employers and has created a race to the bottom which further inflames tensions within sectors of the labour market. UNISON further believes in a mature, humane and rights-based immigration policy that does not pit groups of workers against each other and treats all migrant workers and their families with dignity.

## **Minimum salary levels**

Based on our experience, we believe that the use of minimum annual salary levels for particular jobs is not a useful tool for deciding access to the UK labour market because it is not proxy for skill levels. The high skills/high incomes considered by Government to be desirable for the economy are often not what is required by employers of all sizes or for rational workforce planning to meet the needs of society. Traditional productivity statistics do not work either in public services as for example if service quality declines, e.g. care workers have to rush leave a client after a 15 minute visit without a chance to ask how they are, this is deemed increased productivity and good for the economy even if the client is profoundly dissatisfied and upset.

Our experience of public services and the colleagues we work alongside is that our roles across the public services team are often undervalued in monetary terms even though they have a strong social purpose and ethos. Furthermore, migrant workers are often over qualified for the roles they actually perform in the UK labour market. That public services are made up of a large majority of women workers, and we still operate in gender segregated occupations and sectors despite the Equal Pay Act, cannot be ignored by MAC if they continue with high minimum salary levels for shortage occupations. Also, as the Prime Ministers recently published statistical audit of the UK by race showed; Black workers experience of the labour market varies widely and is usually at the poorer end of any comparison.

## **Public services**

Well funded and high quality public services are a force for good, help promote equality and economic and social fairness and correct for failures in the market economy. We remain sceptical of special discretionary Migration Impact Funds proposed by politicians to assist public bodies and believe that existing public service funding formulas based on need should continue to be the transmission mechanism for funding of local services. The Census data used for funding should be supplemented annually by administrative sources such as GP registrations to avoid the undercounting of the local population and to enable more regular and accurate

updates to local funding.

### Right to Remain

UNISON is committed to the right to remain for existing EU/EEA nationals, including those that arrive to work during a likely transition period up to the point of exit, and that their rights to freedom of movement to live and work across the EU/EEA should be kept in perpetuity. Our annual conference in 2017 supported a future EU/UK relationship that included freedom of movement for UK and EU/EEA workers:

“Conference notes the free movement of goods, services, capital and workers remains a corner stone of the EU’s Single Market. There can be no access to the Single Market if the right of EU - workers to seek employment in the UK and vice- versa is no longer guaranteed and is restricted by various controls. A core principle of EU free movement of labour should be that there is equal pay for equal work in the same work place regardless of nationality and it allows for the expansion of collective bargaining.”

Any future migration system needs to be rights based and ethical and matched to the future needs of all UK public services. Our work with employer federations, such as the LGA, UCEA and NHS Employers and devolved administrations in Scotland and Wales means that there is a shared desire to secure a future workforce sufficient to meet rising demand for services. From our point of view this must also be good quality work, with secure contracts, collective bargaining and well paid. A process of contracting out UK public services, with worse pay and conditions, began in the 1980s and continues today; so we do not view the net increase in EEA workers since 2004 as undercutting the UK public sector workforce or a cause of lower wage rates.

### Health and social care

We are members of the Cavendish Coalition of over 35 national NHS and social care organisations concerned about the workforce implications of EU exit and support their submission. We therefore support their call for the future availability of EEA and non EEA workers to assist the NHS during both the transition periods and as part of a trade or membership deal after EU exit.

Our responses to the consultation questions, below, will concentrate on the health and social care sector. The best workforce data is found in the NHS.

### Northern Ireland

We also support the Irish Congress of Trade Unions (ICTU) in seeking to protect the

free movement of citizens, workers, goods and services across the border between the Republic of Ireland and Northern Ireland (NI) as economically vital but also as part of the peace process. We have members who live in the Republic but work in Northern Ireland.

Northern Ireland traditionally had a much lower proportion of migrants in the population than the rest of the UK, with numbers only increasing in the last decade after the opening of the A8 countries in 2004. Polish migrants have become the biggest Minority Ethnic group in Northern Ireland. Even though numbers might still be low compared to the rest of the UK there will be a disproportionate amount of European migrants amongst the overall migrant population. 2011 census figures for Northern Ireland confirm that citizens from EU countries account for the vast majority of migrants living in Northern Ireland, with Eastern European migrants making up less than 2% of the Northern Irish population. By contrast Asian-born migrants make up around 1% of the Northern Irish population and African-born migrants account for only 0.3%.

The former First and Deputy First Ministers (prior to the NI Executive collapsing in January) in August 2016 wrote in a letter to Theresa May that public services in NI are 'heavily dependent' on EEA nationals and other migrants who work in them. UNISON organisers are aware that private nursing homes in NI are hugely dependent on migrant workers, both EEA and non-EEA. We would estimate, for example, that around 50% of UNISON membership in Four Seasons Group Ltd (the largest residential care company in NI and the UK) in NI are migrant workers. This sector is hugely dependent on migrants in particular and a loss of migrant workers would threaten the sustainability and capacity of the sector.

### UNION's EU members speak up

UNISON has been asking EU citizens who work in UK public services what their reactions have been to EU exit. The respondents range from technicians to librarians and from nurses to social workers. What was striking was how decisive the EU exit vote had been in their feelings about being welcome in the UK. Some had lived here for over thirty years; others had recently come to the UK to work. Many described themselves as being drawn to the UK because of their love and interest in British culture. One said, "I've always dreamed of coming to the UK and live in London as I am interested in British culture and history". Another described herself as a 100% Anglophile. Both said they now felt unwelcome in the UK after the EU exit vote – in fact this was a near universal comment. Many respondents said they were thinking of leaving.

We asked if they and their family considered the UK as their home and whether this had changed after the EU referendum. These are some of the replies we received:

- *I 100% consider it as a home and until the Brexit vote I really wanted to do my part and contribute to this country, now I feel unwelcome and anxious due to uncertainty*
- *We very much did. After the referendum we are now strongly considering moving to the Netherlands*

- *More or less, less sure now*
- *Yes, it has changed as now want to leave the country*
- *We no longer feel this is our home but feel very insecure at the moment*
- *Very much so, I'd like to think it hasn't changed, but I feel rather unsettled now after 30 years of living here.*
- *Yes, I used to think of myself as a Brit, now I am no longer welcome apparently.*
- *Yes, the UK is my home after 13 years of living here*
- *UK is my home now but I am not sure what will happen after Brexit. I wish to stay here*
- *Yes, I consider the UK as my home but I don't always feel welcome here - especially after the referendum.*

When we asked what they would like to hear from politicians and the UK Government, all the responses ranged from the protection of their rights, clarity and a clear plan ahead. There has clearly been a breakdown of trust in both the intention and the competence of the Government.

- *That anyone with a contribution to the UK doing legit work are safe and welcome to stay.*
- *That I can retain my rights*
- *I don't think they know what they are doing*
- *One plan regardless of what it is - their indecision leads nowhere. I run a business and don't know what to plan for other than possibly relocate*
- *Clear information as to how EU citizens are going to be treated after 29 March 2019*
- *That they are going to consider the rights of everyone, who have contributed to this society.*

If these responses are reflective of the wider 3 million EU nationals in the UK, then it has clear long term implications for the UK's reputation abroad as well as our ability to continue to be able to attract migrant workers in the future, both from the EU and beyond.

### The Migration Advisory Committee

The MAC has a difficult job collecting evidence for this inquiry as both the EU exit negotiations are fast moving and the economy could face disruption and decline. Whilst at the same time the UK government keeps gradually, regulation by regulation, making the lives of non-EU migrants to the UK harder and harder and the UK a less attractive place for overseas workers. Currency exchange rates (the pound is falling in value) that effect remittances home can effect migrant worker decisions too.

The government remit for MAC means that the proposals are also framed as a way

of reducing non-EU migration. As the call for evidence states, “MAC is asked to advise on changes to Tier 2 to address concerns about the rising number of migrants in that route and reliance on them to fill shortages”. The government has also explicitly stated its intention that the broader review of Tier 2 is to ‘advise on what more can be done to reduce levels of work migration from outside the EU.’ It is quite clear that at this point the only outcome the UK government would contemplate is a politically driven need to reduce numbers in the crudest fashion without careful examination of the economic realities driving immigration.

UNISON is opposed to setting a cap on the number of non-EU migrants that can enter the country as it limits recruitment of migrant workers where there are skills gaps in the labour market. By suggesting that migration is a problem that should be limited across the board and is related to total numbers only increases discrimination against migrant workers and stokes social tension without tackling the causes of anti-migrant sentiment.

UNISON recently submitted evidence to MAC highlighting critical levels of staff shortages within the health service. We argued that the demand for nurses, paramedics and occupational therapists is growing. However, because of a number of factors, supply of nurses, paramedics and occupational therapists in the UK is unlikely to meet this demand. Furthermore, the European Economic Area (EEA) labour market does not have an unlimited supply of nurses, paramedics and occupational therapists. However, MAC did not accept our contention that it was essential that nurses, paramedics and occupational therapists are added to the occupational shortage list.

By not recognising existing shortages within the health service, the Government will not be able to prepare in a long term or effective way to fill shortages without in future recruiting non-EEA migrant workers in our opinion.

Whilst MAC is considering the historic evidence and labour market data the UK could see an outflow of existing EU workers currently resident and less seeking to move to the UK for the first time. It is highly probable that whatever is finally recommended in September 2018 that it will need to be adjusted time and time again as governments confront the realities of EU exit.



## **Consultation response**

UNISON is concerned that gaps in the law on employment rights combined with weak enforcement of employment rules and low collective bargaining coverage has meant significant numbers of workers are at risk of exploitation. While migrant workers are particularly vulnerable to exploitation, UK born workers employed on insecure contracts are also at risk of exploitation.

In our response, we will provide answers to the consultation questions we are best equipped to answer, with an emphasis on health and social care.

## **Answers to consultation questions**

**Please provide evidence on the characteristics (e.g. types of jobs migrants perform; skill levels, etc) of EEA migrants in your particular sector/local area/region. How do these differ from UK workers? And from non-EEA workers?**

We will cover the health and social care sectors as well as make some general comments.

### **Health**

The extent to which the health care system depends upon staff from outside the UK, particularly Europe, should not be underestimated. There are currently around 55,000 EU nationals working in the English NHS alone, accounting for 5 per cent of its workforce. This includes 10% of doctors and 4% of nurses.<sup>2</sup> In the past few years thousands of EU nurses have been proactively recruited to cover gaps in staffing, and the NHS has become increasingly reliant on EU nationals to stand on its feet, with the numbers employed rising from by more than 20,000 since 2012.<sup>3</sup> For some particular NHS organisations, the picture is even starker, with more than 10% of the workforce coming from the EU at a number of foundation trusts, primarily in London. At the Royal Brompton and Harefield this figure is as high as 15.3%.<sup>4</sup> As the IPPR think tank notes, “Without them, the NHS would collapse. It is critical to public health that these workers do not seek jobs elsewhere.”<sup>5</sup>

We support the full submission of the Cavendish Coalition (an alliance of 35 national NHS and social care organisations which we are part of) on current and future NHS staffing needs.

Accessibility and granularity of workforce data varies a great deal across both the health and care sectors, as well as across the four countries in the UK. The evidence

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<sup>2</sup> <https://fullfact.org/immigration/immigration-and-nhs-staff/>

<sup>3</sup> [www.theguardian.com/society/2016/aug/25/nhs-needs-eu-employees-to-avoid-collapse-says-thinktank](http://www.theguardian.com/society/2016/aug/25/nhs-needs-eu-employees-to-avoid-collapse-says-thinktank)

<sup>4</sup> [www.hsj.co.uk/sectors/acute-care/revealed-the-trusts-most-reliant-on-eu-staff/7006121.article](http://www.hsj.co.uk/sectors/acute-care/revealed-the-trusts-most-reliant-on-eu-staff/7006121.article)

<sup>5</sup> [www.ippr.org/files/publications/pdf/becoming-one-of-us\\_August2016.pdf](http://www.ippr.org/files/publications/pdf/becoming-one-of-us_August2016.pdf), page 13

collated by the Cavendish Coalition so far is robust and valuable, but it is acknowledged that further work needs done to provide a complete picture of the workforce requirements of the health and care sectors across the UK. UNISON would urge MAC to accept additional evidence from the Cavendish Coalition at a later stage, particularly as it might provide insight into sectors in which there is traditionally fairly poor workforce data.

### Social care

The National Minimum Data Set (NMDS) for social care puts the turnover rates of all care workers at 33% - for homecare workers this rises to 38.6%. Social care has therefore has one the highest rates of annual turnover of staff in the economy.

Using NMDS, we can see that vacancy rates across England for all care workers are 7.3% of posts are empty at any one time. Regions like London and the South East the rate is closer to 10% and again for home care (or domiciliary care) the rate is just below 11%.

There is quite a degree of difference regarding what proportion of the workforce EU care workers make up across the country. They are most prevalent in the Greater London and South East regions. See Table 1 on next page.

**Table 1: Proportion of English care sector workforce by Nationality and Government Office Region**

	All social care job roles
Eastern	Eastern
<b>Total</b>	<b>145,000</b>
British	81%
EEA (non British)	8%
Non-EEA	11%
East Midlands	East Midlands
<b>Total</b>	<b>120,000</b>
British	88%
EEA (non British)	5%
Non-EEA	7%
London	London
<b>Total</b>	<b>170,000</b>
British	59%
EEA (non British)	13%
Non-EEA	29%
North East	North East
<b>Total</b>	<b>75,000</b>
British	95%
EEA (non British)	2%
Non-EEA	3%
North West	North West
<b>Total</b>	<b>180,000</b>
British	91%
EEA (non British)	3%
Non-EEA	5%
South East	South East
<b>Total</b>	<b>220,000</b>
British	78%
EEA (non British)	10%
Non-EEA	12%
South West	South West
<b>Total</b>	<b>145,000</b>
British	86%
EEA (non British)	8%
Non-EEA	6%
West Midlands	West Midlands
<b>Total</b>	<b>140,000</b>
British	88%
EEA (non British)	4%
Non-EEA	8%
Yorkshire and Humber	Yorkshire and Humber
<b>Total</b>	<b>130,000</b>
British	92%
EEA (non British)	3%
Non-EEA	5%

### *Impact on social care sector*

- Because of demographic changes in UK society we will require an extra 1m care workers by 2025;
- It will be impossible to meet this target whilst care workers continue to be paid so poorly and treated so badly creating a continuous high churn and turnover of staff;
- Removing EEA care workers from the sector will clearly make the situation worse
- There is an increased level of care providers getting poor inspection results from the CQC in England in 2017. Part of this is because of the high levels of turnover and vacancy rates. If EEA workers are forced out of the system it will exacerbate the crisis and help to ensure that standards of care continue to decline.

### *Social worker occupational group*

UNISON analysis of the current social work register (held by the Health Care Professions Council (HCPC)) and the figures they have on the nationalities of social workers who work in England reveals:

- According to HCPC's figures from 2016 they only have details of the nationalities of 23,682 of the 90,294 social workers they registered (the nationalities of the other 66,612 were unknown)
- Of the 23,682 who gave details of their nationality 1,070 were from the other 27 EU countries – 4.5%
- 2015 - 91,812 registered social workers - nationalities of 72,554 unknown. Of the 19,258 SWs who gave details of their nationality 826 were workers from the other 27 EU countries - 4.28%
- 2014 - 90,830 registered social workers - nationalities of 78,374 unknown. Of the 12,456 SWs who gave details of their nationality 518 were workers from the other 27 EU countries - 4.15%.

The HCPC statistics are not complete but they do give a sense that we are seeing a very small increase in the proportion of registered social workers from other EU/EEA countries. They also represent a small but sizeable proportion of the social work workforce (across all children and families and adults teams) – a workforce that is experiencing problems with recruitment and retention. So if the EU/EEA social workers were no longer able to practice then this would cause significant problems for the sector.

### Out-sourced public services

In our experience both EEA and non-EEA migrant workers have a greater propensity to work in outsourced public services. This is because the formal public sector has done very little recruitment and training whilst it has shed posts in the last decade of austerity and pay restraint. Formal processes and qualifications to join the public sector direct for permanent employment are more demanding and lengthy than in other sectors.

The private companies and voluntary sector providing public services tend to have lower pay and conditions and high turnover and hence a higher vacancy rate. There has been also a growth in agency labour in the public sector as a way of employers avoiding hiring freezes, lowering costs by not paying on-costs such as a defined benefit pension, pay restraint and shortages and these posts are often the first entry point for migrant and Black workers. This is common in cleaning, catering, care and facilities management. In regulated professions, such as nurses and social workers, there can be a very high hourly pay rate from agencies (higher than the equivalent public sector hourly rate) at the expense of not receiving sick pay, uncertain shifts, the statutory minimum of holiday pay and no pension provision. This can be attractive to migrant workers seeking to send remittances home, staying a fixed period and not having their family with them in the UK and not wanting to acquire a UK pension.

The other point our field organisers and local lay representatives make is that when visiting care homes in the private and voluntary sector is that the shifts with unsocial hours in the evening, over night and weekend have a far greater proportion of migrant workers from both EEA and non-EEA than the day shift. This can be both a mixture of discrimination, the shifts the new vacancies arise or some migrant workers volunteering for these shifts if any premium pay available, being on average younger and/or having less UK family commitments.

#### Size and nature of employer

Related to our experience that EEA workers are more likely to work in outsourced public services, anecdotal evidence suggests that EEA workers are more likely to work in small employers than non-EEA workers are.

Although small in number per employer, this could represent a 'long tail' element of the EEA workforce providing health and care services in small and specialised employers.

Large employers, often with central HR functions and compliance structures, are more able to cope with the demands of Home Office requirements of Tier 2 sponsors.

We are concerned that a move to regulate EEA migration and working in a way similar to the current Tier 2 system would be close to unworkable for those small employers.

Even if issues of selection were addressed, for instance in terms of salary thresholds and qualifications requirements, a complicated and burdensome regulatory and compliance system would pose major challenges for small employers, potentially leading to large shortages in the overall workforce.

#### Inadequate enforcement of employment rules

In sectors where there is low collective bargaining coverage and less union visibility such as outsourced public services, or where agency workers used, migrant workers

as well as all other workers are at risk of being exploited due to inadequate enforcement of employment rules. That is one reason why UNISON's successful judicial review of Employment Tribunal fees in Great Britain was a massive win for access to justice for all workers.

UNISON is concerned that government agencies tasked with ensuring employment rules are followed – such as HMRC, the Employment Agency Standards Inspectorate (EASI) and the Gangmaster and Labour Abuse Authority (GLAA) - have not had the resources to enforce employment rules adequately. New resources for minimum wage enforcement and for the GLAA have been welcome, but more will be needed, as the number of workers covered by the minimum wage is growing rapidly. The EASI is under-resourced, having seen its budget cut in half to £500,000 over the last five years. EASI currently has just eleven inspectors to cover the entire country.

## **To what extent are EEA migrants seasonal; part-time; agency-workers; temporary; short-term assignments; intra-company transfers; self-employed?**

### Insecure work

UNISON is concerned that EEA and other migrants employed in public services are likely to be on insecure and/or fixed term temporary contracts where they can be exploited.

This is due to a push by governments and public bodies since the 1980s for ideological or money saving reasons to bring in new providers, promote competition and reduce costs. This has allowed employers to avoid collective agreements, union recognition and allowed employers to take on workers on zero-hours contracts and other insecure temporary contracts to save money and increase profits.

However it is not just migrant workers but all those on temporary contracts that are at risk of being exploited in this way. TUC analysis shows 810,000 are now employed on zero-hours contracts and 730,000 are in low paid temporary work such as agency/casual and seasonal work and 1.7 million people are in low paid self-employment.<sup>6</sup>

### *Posted workers*

Due to the UK government's limited application of the EU Directive on posted workers, EEA workers already employed by EEA firms but transferred in on short term 'posted' contracts to UK firms are only required to be paid the national minimum wage rather than wages secured by UK collective agreements.<sup>7</sup> This obviously has more of an impact in sectors where wages are generally well above the statutory minimum wage. This loophole does not have much impact in UK public services as EU companies bidding for public contracts set up subsidiary UK companies as the UK has favourable and weak employment law, minimal regulations and low levels of company taxation to enable them to maximise profits.

### *Zero hours contracts*

Significant numbers of EEA migrants are employed in the sectors that make the most use of zero hours contracts, and for UNISON that is social care.

Those on zero hours contracts often miss out on key employment rights, including family friendly rights, redundancy pay and sick pay as they are classified in law as 'workers' rather than 'employees'.<sup>8</sup> Workers on zero hours contracts are also likely to be lower paid: the median hourly rate for zero hours workers is £7.25 whereas it is £11.23 for permanent workers.

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<sup>6</sup> <https://www.tuc.org.uk/sites/default/files/Living%20on%20the%20Edge%202016.pdf>

<sup>7</sup> <http://touchstoneblog.org.uk/2016/03/guten-tag-pet-reforming-the-posted-workers-directive/>

<sup>8</sup> <https://www.tuc.org.uk/sites/default/files/Living%20on%20the%20Edge%202016.pdf>

### *Self-employed contracts*

Significant numbers of EEA migrants are employed in the sectors that make the most use of low-paid self-employed contracts (which can sometimes be bogus self-employed contracts), namely construction, transport and storage, and wholesale.<sup>9</sup>

Self-employed workers also have no right to a minimum wage, sick or holiday pay. Many self-employed workers are also low paid. The Social Market Foundation estimates that 45% of self-employed workers are paid below £7.20 an hour.<sup>10</sup>

On the fringes of public services we are beginning to see self employed workers having to set up with umbrella companies as self employed or as employees of their own company by unscrupulous agencies in social work, social care, teacher supply, security, nursing and medical locums.

### *Swedish derogation*

Insecurity has also been facilitated by other loopholes in the law such as the so called 'Swedish derogation', whereby agency workers directly employed by their agency on contracts of at least 2 hours a week may be paid less than other directly workers after 12 weeks doing exactly the same job and put on worse terms and conditions too. Even the 2017 Taylor Review proposed closing this loophole but the government have yet to make any proposals for regulations to that effect.

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<sup>9</sup> <https://www.tuc.org.uk/sites/default/files/Living%20on%20the%20Edge%202016.pdf>

<sup>10</sup> <http://www.smf.co.uk/low-paid-self-employed-will-be-worse-off-under-universal-credit/>



### **What information do you have on their skill levels? To what extent do these differ from UK workers and non-EEA workers?**

In spite of the fact the majority of EEA workers have medium to high levels of skills, they are disproportionately likely to be employed in occupations requiring low levels of qualification. 40% of workers from A8 countries, 37% of workers from A2 countries and 37% of workers from EU15 countries are more qualified than their jobs require.<sup>11</sup> This is due to the fact that migrants, particularly those from poorer countries, often need to take a job to secure an income quickly and so called 'low skill' work is more available. Discrimination, lack of English language ability and difficulties in getting qualifications recognised can also prevent some migrants gaining skilled employment. The most common place UNISON see this is skilled and qualified nurses and social workers working in social care.

This represents a waste of the skills and talent that could be contributed to the economy were there more skilled job opportunities.

### **To what extent has EEA and non-EEA migration affected the skills and training of UK workers?**

UNISON is concerned that employers and government have cut funding for skills, notwithstanding the new Apprentice Levy.

The government's adult skills budget was cut by 41% between 2010/11 and 2015/16.<sup>12</sup> The UK government's decision to scrap bursaries for nurses, midwives and allied health professionals (such as radiographers, chiropodists, dieticians, occupational therapists, physiotherapists and podiatrists) in 2016, meanwhile, has already led to reductions in the numbers of UK students applying to study for these careers, many of which are facing significant shortages at this critical time.

Table 2 shows that in some sectors facing high skills shortages employer investment in training has also fallen in the last four years. With the exception of the utilities sector, meanwhile, none of the sectors with the highest skills shortage rates – construction, transport (including maritime)/communications and manufacturing – witnessed any significant increase in employer investment.

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11 [www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/migrationandthelabourmarketuk/2016#how-skilled-were-non-uk-nationals-living-in-the-uk](http://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/migrationandthelabourmarketuk/2016#how-skilled-were-non-uk-nationals-living-in-the-uk)

12 [www.ippr.org/files/2017-07/another-lost-decade-skills-2030-july2017.pdf](http://www.ippr.org/files/2017-07/another-lost-decade-skills-2030-july2017.pdf)

**Table 2: Employer spend on workforce training by sector (2011 and 2015) and skills shortage vacancy density (2015)**

Sector	2011 (£ billions)	2015 (£ billions)	Skills shortage vacancy density (2015-2016) <sup>13</sup>
Utilities	0.3	0.7	35%
Construction	2.5	2.5	35%
Transport/Communications	3.1	3.4	31%
Manufacturing	3.4	3.2	30%
Business services	8.3	9.8	26%
Agriculture	1.1	0.6	22%
Financial services	1.5	1.6	21%
Arts & other	2.3	2.6	21%
Health/social care	5.2	6.1	21%
Retail/wholesale	5.1	5.1	20%
Accommodation/food	3.0	3.3	19%
Education	4.9	4.6	16%
Public Administration	3.1	1.9	9%

Source: Employer Skills Survey 2015, UKCES, May 2016<sup>14</sup>

### Training in the care sector

UNISON surveyed care workers in the autumn of 2016 and over 1,000 responded. The question on training revealed the levels of different areas of training across both home and residential care sectors:

Q. Have you received specialised training to care for people with?:

- Dementia - Residential 88% - Homecare 70%
- Diabetes – Residential 38% - Homecare 34%
- Mental Health problems – Residential 38% - Homecare 39%
- Neurological problems – Residential 14% - Homecare 21%

13 Skills shortage vacancies are defined as those vacancies that are hard to fill due to a lack of skills, experience or qualifications among applicants. The “skills shortage vacancy density” rate is the total number of skills shortage vacancies expressed as a proportion of all current vacancies in each sector.

14 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/525444/UKCESS\\_2015\\_Report\\_for\\_web\\_May\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/525444/UKCESS_2015_Report_for_web_May_.pdf)

- Physical and learning disabilities – Residential 31% - Homecare 36%
- Sensory loss – Residential 26% - Homecare 32%

UNISON does not consider the recent recruitment of skilled EEA nationals the reason for low training levels but the chronic lack of funding in the sector is.

### International skills comparisons

Research from IPPR shows that UK employers invest half as much per employee as the EU average for vocational training. Countries such as Belgium, Germany and Sweden spend well above the average<sup>15</sup> and also have significant numbers of migrants in their labour force too.

Part of the reason why training policies in countries such as Belgium, Germany and Sweden are more effective at support sectoral strategies is that they take a social partnership approach that is lacking in the UK. UNISON and the TUC are concerned that, since 2010, UK governments have withdrawn support from sector skills bodies that involved trade unions such as sector skills councils. Meanwhile union representation on many of the remaining bodies has been weakened. And appointments to the board of the Institute for Apprenticeships earlier this year did not include anyone with a trade union background.

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15 IPPR (2017) *Skills 2030: Why the adult skills system is failing to build an economy that works for everyone*, p.22, [https://www.ippr.org/files/publications/pdf/skills-2030\\_Feb2017.pdf](https://www.ippr.org/files/publications/pdf/skills-2030_Feb2017.pdf)

## **Domestic supply of workers**

### **Health**

There are many problems and barriers to overcome in developing a home grown NHS workforce:

1. **UNISON has called for Funding to plug the £20billion gap by 2020.** In the words of NHS England chief executive Simon Stevens, "When the British economy sneezes, the NHS catches a cold".<sup>16</sup> While the exact fallout for the economy from an EU exit remains unclear, there is considerable concern from economists and financial institutions, with a consensus that that there will be some level of detrimental impact. (One thing that is for certain is that the extra £350m a week for the NHS that the Leave campaign suggested would be available following an EU exit is never going to materialise – as many organisations, including UNISON, warned would be the case during the referendum debate.) Given the damage that been done to the NHS and social care by the enforcement of austerity since 2010, the prospect of any more cuts as a result of further economic turmoil is extremely worrying for all that work in the system and benefit from care.
2. **UNISON has campaigned to remove the Coalition and Conservative governments' imposition of pay freezes** and the ongoing 1% pay cap which has been one of the most striking features of the impact of austerity on our public services. This policy is already unsustainable – from both a staff living standards point of view and the ability of our services to recruit and retain the necessary workforce – so any further impact on public service pay as a result of economic woes stemming from an EU exit would be deeply damaging.
3. **UNISON has campaigned to stop the pay freeze damaging the reputation of nursing** as a well paid decent profession. The amount of publicity on nurses needing food banks and soaring family debt was a big feature in the 2017 General Election.
4. **UNISON has campaigned for a fair and Living wage.** The Resolution Foundation think tank has estimated that, as a result of increasing uncertainty about the outlook for earnings, by 2020 the real-terms value of the government's "national living wage" could be up to 40p an hour lower than the £8.31 predicted

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<sup>16</sup> [www.bbc.co.uk/news/uk-politics-eu-referendum-36353145](http://www.bbc.co.uk/news/uk-politics-eu-referendum-36353145)

before the EU vote. In their words, “Brexit is likely to reshape the landscape in which many low-paying sectors operate”.<sup>17</sup>

5. **UNISON is campaigning to bring back the nursing and allied health professionals bursary.** We would like to demonstrate in particular the example of the removal of the nursing bursary. In the context of EU exit and the recent removal of funding schemes for nurse training, such as student bursaries in England, there will be a dramatic negative impact on the supply of nursing students in the UK in the future:

- On 1 February 2017 UCAS published its analysis of full-time undergraduate applications made by the 15 January deadline. The UCAS figures showed a total of 37,380 applicants (UK, EU, and non-EU) for nursing courses in England. Last year this figure was 48,230, so there has been a significant reduction of 23% following the government’s decision to abolish bursaries for healthcare students in England.
- While applications from English domiciled applicants did not increase in Wales, they dropped by considerably less than in Scotland and England, where students will not qualify for a bursary in future:
  - 9% drop in English domiciled applicants for nursing courses in Wales;
  - 6% drop in English domiciled applicants for nursing courses in Scotland;
  - 23% drop in English domiciled applicants for nursing courses in England.
- It seems that access to the NHS bursary therefore acted as an incentive for English domiciled applicants to apply for courses in Wales if they commit to work in the Welsh NHS for two years. In terms of nursing applications for courses in each country, the size of the decline makes clear which funding model is preferred:
  - Scotland – 4% decline (bursary with no conditions and better support);
  - Wales – 9% decline (bursary with conditions);
  - England – 23% decline (no bursary – replaced with tuition fee and loan).
- More funding is therefore encouraging more applicants – one of the reasons why UNISON continues to support the idea of a living bursary or salary status for healthcare students.

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<sup>17</sup> [www.theguardian.com/business/2016/jul/11/lowest-paid-workers-to-receive-smaller-pay-rises-says-thinktank](http://www.theguardian.com/business/2016/jul/11/lowest-paid-workers-to-receive-smaller-pay-rises-says-thinktank)

- No detailed figures are yet available from UCAS for healthcare courses other than nursing, but it seems reasonable to expect there to be a similar reduction in demand for courses in the allied health professions. In December 2016 Universities UK warned that applications in areas such as occupational therapy and podiatry had been particularly badly affected.
- UNISON has consistently warned of the damage that would be done by the government's decision to abolish NHS bursaries. There is clear evidence that the switch from bursaries to loans is having a negative impact on the number of applications. The plans will leave student nurses, midwives and allied health professionals with over £52,000 worth of debt. As we are now seeing, the fear of debt will discourage many people from training to become healthcare professionals.

Restoring bursaries will need to be a key ask to develop the “homegrown” workforce to meet the country's future demand and in particular the English NHS will be even more dependent on other countries for recruitment. In light of the emerging evidence of a negative impact on supply UNISON has called for the reinstatement of the bursary.

Where official statistics have shown EEA workers being paid less on average than UK born NHS workers on same grade this is due to the increment effect of EEA workers yet to move fully through to the top of the pay scale. This would be exactly the same experience of – for example – a worker who spent 5 years working in General Practice or a private provider before moving into NHS employment and starting at the bottom of the scale. Comparisons of pay and reward based on age – particularly age as a proxy for experience – are simply not valid.

## **Social Care**

There are systemic problems in preventing people from working in the care sector and challenges in improving the domestic labour supply in social care

Social care is dependent on EU nationals too, with 6% of the social care workforce in England alone being EEA migrants, equating to around 84,000 people. Of this number, 90% (78,000) do not have UK citizenship, meaning they could be at risk of changes to their immigration status following a UK exit from the European Union.<sup>18</sup>

### **Social care recruitment problems**

- Lack of funding in social care for commissioners to adequately fund providers resulting in poor pay and conditions, an isolated and pressurised work environment, high turnover and low training levels;
- In turn this has a systematic negative impact on service users and carers with the resulting poor “image” of social care as a career or even occupation choice;

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<sup>18</sup> <https://www.independentage.org/policy-research/research-reports/brexit-and-future-of-migrants-social-care-workforce>

- Minimum standards and light regulation of the social care workforce reinforces the ‘unprofessional’ image of social care;
- Lack of funding and the minimum standards result in minimum training and qualification levels in social care;
- With little additional remuneration for any higher skill development there is little rewarding career progression;
- Lack of good staffing ratios in social care leads to burnout, high turnover and staffing shortages in key occupational and geographical areas.

All of the above need to be addressed to improve domestic supply of workers.

#### UNISONs response to improve social care jobs

- Tackling non-compliance with the Minimum Wage in the care sector. UNISON is taking action to try and improve minimum wage compliance. In order to tackle these issues, a major change in policy is needed if the government is serious about stamping out deep-rooted practices and protecting the legal rights of workers.  
We have recommended that the Government make regulations as provided for by section 12 of the 1998 NMW Act that would force employers to be a lot more transparent with workers about their pay. This was a key demand in UNISONs Low Pay Commission submission this year.
- Both of UNISONs charters, the Ethical Care Charter for homecare and the Residential Care Charter, are steps to try and improve commissioning practices and both employment standards and outcomes for care users. An independent evaluation<sup>19</sup> by Greenwich University of the Ethical Care Charter has demonstrated that it has had a positive impact where it has been adopted.
- UNISON has carried out a series of Freedom of Information Act requests in recent years highlighting poor commissioning practices by Councils. They have focused on whether they take steps to ensure that the providers they commission are compliant with the minimum wage (the majority still don’t) and whether they are commissioning unduly short homecare visits. We have encouraged them to subsequently improve how they commission and have continually raised the issue with ADASS.

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<sup>19</sup> <https://www.unison.org.uk/content/uploads/2017/06/ethicalcarecharterEDITFINAL.pdf>

- UNISON has carried out a number of our own surveys highlighting the lack of training that many care workers receive, the lack of time they get and various other issues.
- UNISON did a joint piece of work with the Alzheimer's Society to specifically highlight how a significant proportion of homecare workers have not received any dementia training.
- UNISON is also taking strategic legal action against major care providers who are non-compliant with the national minimum wage. We're focussing on trying to improve working conditions and pay and enforcing NMW thereby improving retention and image of sector etc
- UNISON also a social care project running in the North West region which is about trying to recruit and organise care workers into the trade union but also set up networks for domiciliary care workers to combat isolation
- UNISON also has a dedicated learning approach in social care. UNISON has campaigned for minimum training and regulation. There are courses that UNISON in partnership with employers helps to run or arrange access to for employees and members. These may be in basic numeracy and literacy and return to learn courses etc. There are also some specific courses we support to encourage nurses social workers and other professional staff to come back to their professions after a gap.



**What are the impacts of EEA migrants on the labour market, prices, public services, net fiscal impacts (e.g. taxes paid by migrants; benefits they receive), productivity, investment, innovation and general competitiveness of UK industry?**

UNISON values the contribution made by EEA migrants, as well as migrant workers from other countries, to the UK economy and society. They are welcome in our union. EEA migrants work hard in stretched public services and fill crucial jobs in manufacturing and services.

A comprehensive analysis by UCL in 2014 calculated that EEA migrants contribute £2 billion net to the Treasury every year.<sup>20</sup>

But this income has not been invested in public services, jobs or skills in many parts of the country. Instead the government's austerity agenda has meant cuts to health, education and housing services across the country while pay has dropped in real terms due to a pay freeze and pay cap for public service workers over the last decade.

Successive governments and employers have also failed to adequately invest in training and industry. These factors must be addressed in the government's industrial strategy to improve the UK's productivity as well as providing workers with more opportunities to get skilled, decently paid jobs.

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20 See Dustmann and Frattini (2014) <http://www.cream-migration.org/files/FiscalEJ.pdf>

## **Conclusions**

UNISON has the following recommendations for Government:

### *Right to remain*

The government should:

- Guarantee all EEA citizens the right to remain in the UK. This should be a unilateral offer made by the government rather than being subject to negotiations. People's lives should not be used as bargaining chips. It is unacceptable that over three million EEA citizens still have no security about their future a year after the EU referendum.

### *Stopping exploitation*

The government should:

- End the 'Swedish derogation' so that agency workers employed by agencies receive the same pay and conditions as those directly employed doing the same job;
- Properly implement the EU posted workers directive so workers posted in the UK are paid collectively agreed rates of pay;
- Create a legal presumption that everyone qualifies for the full set of employee rights, placing the onus on the employer to prove that this is not the case;
- Ban the regular use of zero hours contracts, and ensure all workers receive premium pay for any non-contract hours and compensation when shifts are cancelled at short notice;
- Support local authorities and other public sector commissioning bodies to use their commissioning and procurement practice to ensure collective agreements are followed with decent terms and conditions and with training and development opportunities for all staff. This approach is common in most other EU countries, where they are known as "fair wages" agreements based on UN International Labour Organisation convention 94, which the UK denounced and left in 1983. This system would use the NJC agreement in Local Government or the Agenda for Change Agreement in the NHS, for example, as the basis for procurement and a level and fair playing field.
- Encourage collective bargaining as it appears that the prevalence of the sectoral collective bargaining model across most of Western Europe has benefited both workers and employers and improved social cohesion. This can be clearly seen in the public services labour market in other EU countries, compared to the UK, where there has been higher wage growth.
- Increase funding for enforcement bodies HMRC, the GLAA and EASI where they are found to need more resources;
- Take a 'joint and several liability' approach to enforcement, so that employers are

held responsible for compliance throughout their supply chain. Lessons could be drawn from the approach adopted in the Modern Slavery Act, which seeks to improve transparency throughout supply chains with a view to preventing slavery and the trafficking of workers in these supply chains;<sup>21</sup>

- Promote awareness of employment rights and the importance of joining a trade union – UNISON has produced guidance in several different languages and has support groups for workers of different nationalities.

#### *Public services*

The government should:

- Increase investment in public services including health, education and community services;
- Amend the UK public procurement regulations to allow all UK public bodies to use 'fair wages' agreements, e.g. national collective agreements and pension scheme access are mandatory;
- Invest in substantial local authority social and affordable housing programmes and crack down on rogue landlords;
- Scrap the public sector pay cap and ensure new pay awards provide an element of catch up, recognising the loss of earnings over the last seven years.
- Eradicate poverty pay by ensuring that no public service worker earns less than the real Living Wage.
- Employers and unions should be allowed to freely determine pay awards through collective bargaining or independent pay review bodies. It is important that the government properly funds pay awards so that public sector employers can afford to pay decent wages.

#### *Skills*

The government should:

- Increase investment in both workforce and out of work training to the EU average within the next five years and English for Speakers of Other Language (ESOL) courses run by further education colleges should be expanded and fees removed;
- Introduce a right to a mid-life career review, and face to face guidance on training;
- Re-instate a right to face to face career guidance in schools and colleges;
- Introduce a new life-long learning account, providing the opportunity for people to learn throughout their working lives;
- Introduce a new targeted retraining programme aimed at certain groups (e.g. those facing redundancy due to industrial change);
- Give trade unions a proper voice in the reformed apprenticeship system;

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21 <https://www.tuc.org.uk/sites/default/files/the-gig-is-up.pdf>

- Establish revitalised sectoral skills councils with representation from unions and business that would look at how to drive up pay, conditions, skills and productivity across an industry;
- Restore training bursaries for nurses, midwives and allied health professionals.