

# Care to negotiate?

Making a success of the Adult Social  
Care Negotiating Body

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## Summary

Adult social care is a vital public service, and its workers are an important part of the UK workforce. But its importance is not reflected in the pay and job quality on offer in the sector: average pay among frontline care workers was just 79p above the minimum wage in 2024-25; one-in-five (21 per cent) workers in the sector are on a zero-hours contract; and breaches of labour market rules are worryingly widespread, with estimates suggesting over 21,000 workers are underpaid the minimum wage. These issues have contributed to a long-standing recruitment and retention crisis, with a vacancy rate of 7 per cent (compared to 2.5 per cent across the economy), and almost a quarter (23 per cent) of the workforce leaving their role in 2024-25.

It is therefore welcome that the Government is setting up an Adult Social Care Negotiating Body (ASCNB) in 2026, which will bring together workers and employers to draw up a Fair Pay Agreement (FPA) to improve wages and conditions for England's 1.5 million social care workers, and has committed some funding to it.

But there are several policy questions still to resolve, and the Government is currently consulting on these. These are important decisions that will set a precedent for a new type of labour market institution in the UK, and some may argue that the Government should take its time to get the structure and scope right from the outset. But lessons from abroad and the UK's own history show that with new labour market institutions, time is of the essence. Part of the success of the Low Pay Commission – the UK's last major institutional innovation almost 30 years ago – was that it started small and moved quickly. In contrast, New Zealand's recent attempt to establish fair pay agreements was slow to get off the ground and was ultimately overturned. So, in this briefing note, we set out recommendations to help ensure the ASCNB can get off the ground quickly, while leaving scope to iterate and refine over time, so that it can become established and deliver lasting improvements to care workers' conditions.

### Who should be round the table?

A first step in establishing the negotiating body will be to allocate seats around the table, ensuring that the voices are as representative of the sector as possible.

The current plan is for trade unions to negotiate on the behalf of workers, coordinated by the Trades Union Congress (TUC). It is entirely legitimate, and in line with international norms, for unions to represent workers' interests in this context, and union membership in the sector is likely to increase as the ASCNB becomes established. But given that union membership in social care is starting from a low base – 18 per cent, below the economy-wide average of 22 per cent – we recommend that structures are put in place

to ensure the views of non-unionised workers are taken into account, particularly under-represented groups such as those on zero-hours contracts and migrant workers.

The employer side will also be coordinated by an umbrella body, in this case the Care Provider Alliance (CPA). This is likely to be complex, with a wide range of organisations operating within the sector – indeed, employer coordination was a key barrier to Fair Pay Agreements getting established in New Zealand – and so the CPA may need support to coordinate employer interests. Acas' expertise is likely to be helpful here, and its focus should be on helping establish the ASCNB as quickly as possible, ensuring it does not hamper the momentum already behind it. And as with worker representation, we also recommend that mechanisms are established to consult the wide range of employers in the sector.

### Which workers should be covered?

The Government is seeking views on which workers in the care sector should be in scope, where a key question is whether roles that are not providing direct care (such as cooks and cleaners in care homes) should be included. Given that these workers have similar pay and training outcomes to their counterparts in other sectors, we do not see a strong case for including them. The Government is proposing, however, to include the small minority (1 per cent) of care workers who are employed through an agency, and our view is that this is welcome to help avoid a two-tier system between people doing the same work.

It is also reasonable that the FPA will apply to employees and workers, but not the self-employed, as is the case with most aspects of employment law and comparable agreements in other countries such as Ireland. But excluding the self-employed reinforces the importance of clarifying and enforcing rules around worker status, to reduce the risk of employers misclassifying staff as self-employed to avoid the FPA. The Government should also ensure that there is scope to include self-employed workers in the future, if, for example, areas such as health and safety (which do apply to the self-employed) are included in a future FPA.

### Which terms and conditions should be included in the FPA?

To determine which terms and conditions should be in scope of the FPA, the Government should focus on issues that matter most to workers, that contribute to the shortage of workers, that require collective action, that won't be resolved by some other aspect of the Employment Rights Bill (ERB), and that reflect lessons learnt from international examples of sector agreements.

It's clear that care workers aren't happy with their pay: only 52 per cent say they are

satisfied with their wages (down from 70 per cent in 1992), compared to 62 per cent of other low-paid workers (down from 64 per cent in 1992). This is likely because the ‘pay premium’ that care workers once enjoyed has deteriorated: the hourly pay gap between care workers and cleaners has fallen from £2.70 in 2008, to 90p by 2025. At the same time, there is a lack of pay progression: in 2025, care workers with at least five years of experience in the sector could only expect to earn 7p more an hour than those with less than one year’s experience. Pay is also central to the sector’s staffing crisis: over one-third (35 per cent) of care providers said better pay outside the sector was the main cause of staff leaving in 2024, while three-in-ten (28 per cent) said it was the main difficulty finding new staff. Given this evidence, it’s unsurprising that the Government has already made clear pay will be on the table.

Added to this, there is a strong collective action rationale for including training in the FPA, to share the costs of training staff across the sector and to internalise the benefits of doing so. In 2024-25, care workers who received training had turnover rates one-fifth below those with no training recorded, yet over half of the workforce lack any relevant social care qualifications. Standardising training through the FPA could therefore help improve both job quality and retention.

Insecurity about hours is another big issue in the care sector, with almost one-in-five (18 per cent) of workers in the sector stating they are very anxious about unexpected changes to their hours (compared to 12 per cent of other low-paid workers). However, the ERB’s plan to end exploitative zero-hours contracts – through guaranteed hours contracts and decent notice for shifts – should go a long way to resolving these problems. For this reason, we do not recommend that hours should be in scope of the FPA.

These recommendations are consistent with international evidence, which shows that pay is always included in comparable sector agreements, with training and progression increasingly so in more mature agreements. For example, recently-established care agreements in the US states of Nevada and Colorado have focused exclusively on raising pay, whereas the more-established Joint Labour Committee in Ireland (covering ‘early years’ workers) also includes bargaining over a pay structure and training. In the spirit of getting the FPA off the ground, we recommend that the Government should start by focusing on a set of top priorities that includes pay (with payment for travel time), progression and training. Future agreements should be open to considering wider terms and conditions.

How should the FPA be enforced?

Effective enforcement will be critical to the success of the FPA: non-compliance with

labour market rules is already high in social care, with over 21,000 care workers estimated to be paid less than the minimum wage, and the true figure likely higher still once we account for the fact that unpaid travel time often brings home carers' average pay below the minimum wage. So, it is welcome that pay-related elements of the FPA will be enforced by the Fair Work Agency (FWA) that will be established in April 2026. But other rights are expected to be left to individual workers to enforce, an approach which too often leads to reduced access to justice and the most vulnerable workers most likely to lose out. To mitigate this, the FWA should take on a greater role than currently planned by enforcing any elements of the FPA where there is a clear-cut distinction between compliance and non-compliance. The fact that social care is mostly commissioned by councils also provides an opportunity to use commissioning-based enforcement to support the work of the FWA, with the risk of losing contracts providing an additional incentive for providers to comply with the agreement.

The Government's plan to introduce an FPA in adult social care rightly recognises that the value care workers provide to society isn't matched by their poor pay and working conditions. It's important to get the details right – the new body must represent the diverse voices of the sector and be properly enforced, for example. However, the general approach should be in the spirit of pragmatism and testing what works as the agreement evolves over time. As the short life of New Zealand's FPAs demonstrate, speed and simplicity are of the essence. Get this right and it could become a viable model for other sectors with acute labour market problems – such as warehousing and cleaning – which would help shift the dial on precarity and poor-quality work. Get this wrong and we might have to wait another three decades for institutional innovation of this scale to emerge again in England.



## A quick start for the Adult Social Care Negotiating Body is more important than a perfect design

Adult social care is a vital public service, and an important part of the UK workforce. Yet its importance is not reflected in the pay and job quality on offer. In 2024-25, average pay for frontline care workers was £12.23 – just 79p above the minimum wage at the time – and one-in-five (21 per cent) were on a zero-hours contract.<sup>1</sup> Breaches of labour market rules also appear to be widespread, with care workers who travel between clients' homes facing a particularly high risk of being underpaid the minimum wage once their travel time is accounted for.<sup>2</sup> These issues have contributed to a recruitment and retention crisis in the social care sector: in 2024-25, the vacancy rate was 7 per cent, compared to 2.5 per cent across the economy as a whole, and nearly a quarter (23 per cent) of the workforce left their role.<sup>3</sup>

It is therefore welcome that the Government is setting up an Adult Social Care Negotiating Body (ASCNB) in 2026,<sup>4</sup> which will bring together workers and employers to draw up a Fair Pay Agreement (FPA) aimed at improving pay and conditions for England's 1.5 million social care workers.<sup>5</sup> The basic framework for this is set out in the Employment Rights Bill (ERB) and is backed by £500 million.<sup>6</sup> But how the body works in practice will be set out in secondary legislation, and the Government is currently consulting on the policy details.<sup>7</sup>

It will, of course, be important to get the institutional design right so that it can deliver meaningful improvements for care workers and serve as a model for future sector-level interventions. It will also require careful thought to set up an institution that fits the needs of the diversity of the care sector (see Box 1).<sup>8</sup> The weight of these decisions may lead some to argue that the Government should take its time to get the details right. But international examples, and the UK's own history, show that it is more important still to avoid long delays if we want a new institution to stand the test of time.

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1 Skills for Care, [Adult social care workforce estimates 2024/25](#), October 2025. This takes a weighted average of the pay for workers in the 'care worker' job role across the local authority and independent sectors.

2 N Cominetti, [Who cares? The experience of social care workers, and the enforcement of employment rights in the sector](#), Resolution Foundation, January 2023.

3 Skills for Care, [The state of the adult social care sector and workforce in England](#), October 2025. Includes staff moving employers within social care as well as those leaving the sector entirely. Source of whole economy figure: RF analysis of ONS, Vacancies and unemployment; ONS, Workforce jobs.

4 The Government plans to make secondary legislation to establish the ASCNB by autumn 2026, with the negotiating process taking place over the following year. See: Department of Health & Social Care, [Fair pay agreement process in adult social care](#), September 2025.

5 There are 1.6 million filled posts in the adult social care sector, filled by 1.5 million workers: Skills for Care, [The state of the adult social care sector and workforce in England](#), October 2025. Because social care is a devolved matter, the ASCNB proposals discussed in this note will cover England only. Scotland and Wales will set up their own negotiating bodies and processes, building on ongoing work in both nations to improve care workers' pay and conditions.

6 Department of Health and Social Care, [£500 million for first ever fair pay agreement for care workers](#), September 2025.

7 The Employment Rights Bill has set out the framework for the ASCNB, giving ministers the power to establish a negotiating body in social care, make provisions over its membership and coverage, and make further regulations to ratify any agreement made: UK Parliament, [Employment Rights Bill](#), accessed 8 December 2025. For further details on the consultation, see: Department of Health & Social Care, [Fair pay agreement process in adult social care](#), September 2025. Throughout this note, references to the Government's plans refer to these two documents unless otherwise stated.

8 Skills for Care, [Adult social care workforce estimates 2024/25](#), October 2025.

## BOX 1: The adult social care sector in England

England's adult social care sector covers a wide range of worker types. First, the sector comprises different kinds of care settings.<sup>9</sup> In 2024-25, there were 705,000 filled posts in care homes (residential care) and 740,000 filled posts providing care in people's homes (domiciliary care), of whom 131,000 were personal assistants directly employed by care users.<sup>10</sup>

Workers are also employed by different types of organisations. A minority of care sector staff (119,900 of the 1.6 million filled posts in 2024-25) are

employed directly by local authorities.<sup>11</sup> But the majority work for independent providers, who are commissioned by local authorities and funded through a mix of public funding and payments from care users.<sup>12</sup>

Finally, the sector includes a broad range of job roles. Alongside the 1.2 million direct care jobs, the workforce also includes managers, regulated professions such as nurses, and supporting roles such as administrators, or cooks and cleaners in care homes.<sup>13</sup>

New Zealand offers a cautionary example in this regard: its ambitious plan to introduce fair pay agreements across the economy was beset by delays in getting it off the ground, and were ultimately withdrawn following a general election less than a year after the legislation was passed.<sup>14</sup> Instead, the Government should take inspiration from the Low Pay Commission – the last major institutional innovation in the UK labour market, set up nearly 30 years ago – which started small by introducing the minimum wage at a relatively modest level, but has since become a core part of the policy landscape.<sup>15</sup> Box 2 gives an overview of the lessons we can learn from other countries and the UK's own history. So, in this briefing note, we set out recommendations for resolving some of these outstanding questions, enabling constructive negotiations – and most importantly, ensuring that the ASCNB can get off the ground quickly, while leaving space to refine it as it gets up and running.<sup>16</sup>

<sup>9</sup> See also Box 1 of: N Cominetti, *Who cares? The experience of social care workers, and the enforcement of employment rights in the sector*, Resolution Foundation, January 2023.

<sup>10</sup> Table 3.1 of: Skills for Care, *Adult social care workforce estimates 2024/25*, October 2025.

<sup>11</sup> Table 3.1 of: Skills for Care, *Adult social care workforce estimates 2024/25*, October 2025. The NHS also employs small numbers of carers – 119,000 in 2024-25: Department of Health and Social Care, *Fair pay agreement process in adult social care - impact assessment*, October 2025.

<sup>12</sup> The King's Fund, *Key facts and figures about adult social care*, June 2025.

<sup>13</sup> Table 3.1 of: Skills for Care, *Adult social care workforce estimates 2024/25*, October 2025.

<sup>14</sup> N Davison, *Labour's Fair Pay Agreements: lessons for Keir Starmer from New Zealand*, Institute for Government, July 2024.

<sup>15</sup> Low Pay Commission, *20 years of the National Minimum Wage*, April 2019.

<sup>16</sup> Previous Resolution Foundation work has also set out the case for sectoral negotiation bodies and recommendations for overarching design principles, such as leadership coming from the sector, the role of the Government and incorporating evidence into the iteration process. See: C McCurdy, H Slaughter & G Kelly, *Putting good work on the table: Reforming labour market institutions to improve pay and conditions*, Resolution Foundation, September 2023.



## BOX 2: Lessons from history and abroad

In setting up the ASCNB, the Government can learn lessons from other countries where similar institutions have already been established, as well as the UK's own history. Here we provide a summary of the international and historical case studies that we draw on throughout this note.

- The previous Government in New Zealand had ambitious plans to introduce fair pay agreements across the economy. These would have brought together unions and employer associations to bargain over minimum pay rates and wider terms and conditions for specific industries or occupations. After several years of policy design and iteration, the scheme came into force in late 2022, with sectors such as bus drivers, security guards and supermarket workers given approval to start bargaining.<sup>17</sup> However, they were slow to get off the ground and, following opposition from businesses and a change in government, the scheme was repealed within a year.<sup>18</sup>
- Ireland's Joint Labour Committees have formed part of its labour market framework since 1946. They are made up of worker and employer representatives, plus an independent chair, and they negotiate Employment Regulation Orders that set minimum pay rates and conditions in sectors such as childcare, cleaning and security. Proposals are reviewed and approved by the Labour Court before becoming law, are kept under regular review, and are enforced by the state alongside wider employment legislation.<sup>19</sup>
- Many US states have developed industry standards boards, including bodies in Minnesota, Nevada, Colorado and Michigan that focus on adult social care. The boards are typically tripartite, bringing together employers, workers and government, who make recommendations with a view to them becoming law. Most of the social care boards have focused on raising the minimum wage, and Minnesota has also made recommendations on holiday pay.<sup>20</sup>
- Modern Awards in Australia set minimum standards across a wide range of occupations and industries, covering wages as well as issues such as breaks, leave and the rights of workplace representatives. The Fair

<sup>17</sup> See Box 3 of: C McCurdy, H Slaughter & G Kelly, [Putting good work on the table: Reforming labour market institutions to improve pay and conditions](#), Resolution Foundation, September 2023; N Davison, [Labour's Fair Pay Agreements: lessons for Keir Starmer from New Zealand](#), Institute for Government, July 2024.

<sup>18</sup> N Davison, [Labour's Fair Pay Agreements: lessons for Keir Starmer from New Zealand](#), Institute for Government, July 2024.

<sup>19</sup> See Box 2 of: C McCurdy, H Slaughter & G Kelly, [Putting good work on the table: Reforming labour market institutions to improve pay and conditions](#), Resolution Foundation, September 2023.

<sup>20</sup> D Madland & S Shiva, [Industry Standards Boards Are Delivering Results for Workers, Employers, and Their Communities](#), Center for American Progress, November 2024.

Work Commission sets these awards, and the Fair Work Ombudsman is responsible for monitoring compliance.<sup>21</sup> Each award has a clearly defined scope, and employers who fail to comply can face penalties and requirements to pay back arrears.<sup>22</sup>

- Between the early 1900s and the 1980s, low-paid occupations in the UK were largely regulated through Wages Councils. These were tripartite bodies made up of unions, employers and independent experts who made recommendations for new wage rates, and considered any objections before issuing the final rates. Most Wages Councils were abolished in the early 1990s, after arguably failing to keep pace with a changing labour market, and were replaced by national protections such as the National Minimum Wage.<sup>23</sup>
- Scotland and Wales still have tripartite Agricultural Wages Boards that originated in the Wages Council system. The Welsh Board sets minimum pay rates across different grades.<sup>24</sup> The Scottish Board has a wider remit, covering issues such as holidays, bereavement leave, sickness absence, and some aspects of tied accommodation and working time.<sup>25</sup>
- The Low Pay Commission (LPC) was set up in 1998 to advise the UK Government on minimum wage rates, aiming to improve pay for low-paid workers while avoiding adverse employment effects. The Commission comprises of worker and employer representatives alongside independent experts, supported by a secretariat, and informed by commissioned external research. The LPC submits its recommendations to the Government, which largely follows its advice.<sup>26</sup>
- In recent years, Wales, Scotland and some local authorities in England have introduced commitments to paying care workers the real Living Wage.<sup>27</sup> Scotland plans to go further in improving carers' conditions, and is developing a bargaining framework in social care with unions and provider representatives as part of its plans for a National Care Service.<sup>28</sup>
- Some sectors in the UK have created industry standard boards, particularly focused on skills. For example, the Construction Industry Training Board identifies skills gaps in the sector and operates a levy system that payers can use to fund training.<sup>29</sup>

<sup>21</sup> Fair Work Ombudsman, [Modern awards](#), accessed 2 December 2025.

<sup>22</sup> See, for example: Fair Work Ombudsman, [Aged Care Award 2010](#), accessed 2 December 2025; Fair Work Ombudsman, [Social, Community, Home Care and Disability Services Industry Award 2010](#), accessed 2 December 2025.

<sup>23</sup> See Box 1 of: C McCurdy, H Slaughter & G Kelly, [Putting good work on the table: Reforming labour market institutions to improve pay and conditions](#), Resolution Foundation, September 2023.

<sup>24</sup> Welsh Government, [Agricultural Minimum Wage 2025 to 2026: executive summary](#), March 2025;

<sup>25</sup> Scottish Government, [Scottish Agricultural Wages Board](#), accessed 2 December 2025.

<sup>26</sup> Low Pay Commission, [20 years of the National Minimum Wage](#), April 2019.

<sup>27</sup> Welsh Government, [Social Care staff to earn the Real Living Wage](#), December 2021; Scottish Government, [Fair pay for social care workers](#), March 2021; S Moore, [An Evaluation of UNISON's Ethical Care Charter](#), June 2017.

<sup>28</sup> Scottish Government, [National Care Service: factsheet](#), May 2015.

<sup>29</sup> CITB, [About CITB](#), accessed 4 December 2025.

## Who should be at the table?

A first step in setting up the negotiating body will be to allocate seats around the table, in a way that ensures broad representation across the sector. This is important not only for achieving well-informed negotiation outcomes, but also for building meaningful sector dialogue. The ASCNB will provide a structure through which employers and unions can come together to address shared challenges and shape the future of care provision. By fostering collective negotiation, it should ensure that the voices of frontline staff are heard alongside those of care providers. A representative negotiating body can help to build consensus on issues such as pay, working conditions, training, and workforce sustainability, which are critical for maintaining quality care and staff retention. It can also help strengthen trust and cooperation across the sector, creating a unified voice that can influence government policy and funding decisions. In this way, broad-based participation in the ASCNB can both improve employment relations and safeguard the long-term resilience of adult social care.

### Worker representation

Worker representation is expected to be channelled through trade unions. This approach is appropriate: it is in line with international norms – even in countries where union density is similarly low, such as the US – and with other UK institutions, such as the LPC and pay review bodies.<sup>30</sup> But there may be challenges in securing legitimacy of representation. Union membership in the sector is relatively low: 18 per cent among all frontline carers, and 13 per cent for those in the private sector (falling to just 10 per cent among private sector home carers) – compared to 22 per cent across the economy.<sup>31</sup> Groups such as migrant workers and those on flexible contracts, who make up relatively large shares of the social care workforce and are at particularly high risk of poor treatment, are the least likely to be union members.<sup>32</sup> And some unions with members in the sector are not currently due to have a role within the ASCNB.

To ensure that a representative range of voices are taken into account, to prevent marginalisation of under-represented groups, and enhance legitimacy, those unions with seats on the negotiating body should be required to consult more widely with workers across the sector both pre- and post-negotiation. This could involve advisory panels, regional forums, and online consultation platforms where workers can submit views on pay, conditions, and career progression.

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<sup>30</sup> See, for example: D Grimshaw et al., *Reducing Precarious Work through Social Dialogue: An analysis of 'protective gaps' facing people at work in the UK*, European Work and Employment Research Centre, November 2015. In addition, it is not immediately clear which other organisations or individuals would be best placed to represent workers, and so opening up worker representation more broadly would likely lead to substantial delays in the process.

<sup>31</sup> RF analysis of ONS, Labour Force Survey (Q4 2024).

<sup>32</sup> See, for example: D Owen, R Davies & S Drinkwater, *Trade Union Membership Among the Migrant Community*, Wales Institute of Social and Economic Research and Data, January 2016; A Sehic, D Vicol & A Savitski, *The forgotten third: Migrant workers' views on improving conditions in England's adult social care sector*, Work Rights Centre, November 2024; D Grimshaw et al., *Reducing Precarious Work through Social Dialogue: An analysis of 'protective gaps' facing people at work in the UK*, European Work and Employment Research Centre, November 2015.

To build and maintain trust, worker representatives should also communicate negotiation outcomes clearly and regularly to explain decisions and their implications. Providing feedback opportunities where workers can comment on draft proposals could also help ensure agreements reflect frontline realities.

## Employer representation

As in many sectors, some social care employers have already formed representative organisations to campaign and lobby around specific interests. But these vary significantly in size and scope, and have little experience in bargaining over employment issues. The Care Provider Alliance (CPA) has been identified as the umbrella organisation for employer representative bodies on the ASCNB and recognises the challenges ahead in coordinating such a diverse group – ranging from large care home providers funded with international capital, to family-owned businesses and independent contractors – into a single employer voice.<sup>33</sup>

Any employers' representative organisation will have to coordinate its position pre- and post-negotiations, and this may require support from organisations such as Acas. It is crucial, however, that this is not a blocker to acting swiftly. Pushback from employers and a lack of buy-in among business groups was a key barrier to fair pay agreements getting off the ground in New Zealand, and so Acas' involvement should be focused on helping to get to the negotiating table as quickly as possible.<sup>34</sup>

As with the worker side, the CPA will need clear mandates based on structured consultation with employers. This could involve regular surveys, regional forums, and digital engagement platforms to capture employer priorities on pay, conditions, and workforce development. Transparent communication channels will help maintain trust and legitimacy, ensuring that negotiated outcomes reflect the realities of service delivery and funding constraints.

The International Labour Organisation (ILO) is one of several international bodies with extensive experience supporting the development of dialogue and negotiation between social partners. Their guidance documents, which are publicly available online, provide a useful starting point to support employers to coordinate more effectively.<sup>35</sup> This guidance could help representative bodies both to build legitimacy to represent the wider interests of the sector, and to support understanding of and adherence to any resulting agreement.

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<sup>33</sup> Care Provider Alliance, *Our involvement in the development of a Fair Pay Agreement for Adult Social Care*, August 2025.

<sup>34</sup> N Davison, *Labour's Fair Pay Agreements: lessons for Keir Starmer from New Zealand*, Institute for Government, July 2024; BusinessNZ, *Business verdict on fair pay agreements*, February 2019.

<sup>35</sup> International Labour Organization, *Building Effective Employer and Business Membership Organizations (EBMOs)*, accessed 1 December 2025.

## Other stakeholders

Representation from both the worker and employer sides must be meaningful, and it is welcome that the Government plans to protect the leadership of the sector through legal provisions that prevent unilateral overrides by the Government except in cases of deadlock. Nonetheless, there are other stakeholders who should have a role in supporting the process.

Current proposals for the ASCNB recommend a special role for local government because of its role in commissioning adult social care services, often under tight budget constraints.<sup>36</sup> Their inclusion as formal stakeholders within the ASCNB will ensure that FPAs reflect the realities of local funding and service delivery, and by embedding local government perspectives in ASCNB processes, FPAs can ensure that they complement wider reforms within the adult social care sector rather than create conflicting priorities. But to support the principle that terms and conditions of work should be negotiated between employer and worker representatives, we agree with the Government that there is no need for local government to take part directly in the negotiation process.

Both employers and unions will need robust evidence to inform the bargaining process, especially given they are likely to disagree on at least some of the effects of proposed positions on the sector more widely.<sup>37</sup> Both sides will need access to economic modelling and impact assessments – for example, understanding how proposed wage increases interact with local authority fee rates and national funding allocations – to negotiate agreements that balance fair outcomes with financial viability. Dedicated technical support and legal expertise should also be available to navigate complex regulatory and contractual implications. To support this, the Secretariat will have to develop modelling approaches that can be inputted into and challenged by both parties before, and possibly also during, any negotiations. Building trust in that support will be essential and we therefore see a clear rationale for this to be provided by civil service staff.

Finally, external experts can help strengthen the work of the ASCNB by providing independent evidence, specialist knowledge, and credibility to discussions about pay, conditions, and workforce development. External expertise could include, for example, advice around labour markets, legal issues, collective bargaining, workforce issues or human resource planning. Beyond technical input, external consultants could help facilitate dialogue between unions, employers, and government representatives and help to balance differing perspectives. Research organisations and universities could be commissioned to identify gaps and opportunities, analyse proposed scenarios, or

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<sup>36</sup> This commissioning role is distinct from local authorities' role as direct employers of care workers. A minority (7.5 per cent) of care workers are employed directly by councils, but the majority of social care is provided by private companies, much of which is commissioned by local authorities (see Box 1).

<sup>37</sup> More generally, we welcome the Government's proposals for an independent chair, and the involvement of Acas, if needed, to resolve disagreements. Previous Resolution Foundation work set out the case for an independent chair for this purpose: C McCurdy, H Slaughter & G Kelly, [Putting good work on the table: Reforming labour market institutions to improve pay and conditions](#), Resolution Foundation, September 2023.

evaluate the outcomes of negotiations (as is the case with the LPC today), supporting fairer negotiations and helping the ASCNB make decisions that are transparent and trusted.<sup>38</sup> External expertise could also bring innovation: for example, specialists in training, digital transformation, or workforce well-being could suggest new approaches to professional development and staff support. By drawing on such advice, the ASCNB can ensure that its recommendations are grounded in evidence, forward-looking, and responsive to the evolving needs of the social care sector.

## The FPA should initially focus on frontline carers working in the private sector

The ERB initially allows for any worker in the adult social care sector to be in scope – but the Government is seeking views on whether this should be narrowed down.<sup>39</sup> A key question here is whether staff employed by social care providers, but not directly involved in care – such as cooks and cleaners in care homes – should be included. Our view is that there is not a strong case for including these workers. The sector-specific issues with pay and conditions (which we discuss in more detail later in this note) are particular to frontline carers, and more specifically, we find that workers in elementary cleaning and catering occupations have similar pay and training outcomes regardless of whether they work in social care or another sector.<sup>40</sup>

More broadly, we propose that the FPA defines coverage based on the work being done, rather than the employer, and so we agree with the Government's plans that agency workers will be in scope. Agency workers make up just 1 per cent of the adult social care workforce, so this will have only a small impact on the number of workers included in the FPA.<sup>41</sup> But including these workers will help avoid creating a two-tier system between people doing the same work.

The Government is also considering whether the FPA should be extended to care workers directly employed by local authorities and the NHS, each of which accounts for around 7 per cent of the social care workforce.<sup>42</sup> These workers are generally already covered by collective agreements, and tend to receive better pay and conditions

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<sup>38</sup> For the most recent year of research commissioned by the LPC, see: Low Pay Commission, [Low Pay Commission research 2024](#), February 2025.

<sup>39</sup> Specifically, coverage is initially extended to anyone “who is employed wholly or mainly in, or in connection with, the provision of [adult] social care”.

<sup>40</sup> Source: RF analysis of ONS, Annual Survey of Hours and Earnings; ISER, Understanding Society. For pay, we use ASHE data to run a regression among employees in elementary cleaning and catering occupations of (log) hourly pay on a dummy variable for working in the social care industry, along with controls for age, sex, basic hours, job tenure, four-digit occupation and work local authority. The coefficient on the social care dummy is statistically insignificant ( $p = 0.297$ ). For training, we use Understanding Society data to run a regression of whether employees in these occupations received training on a dummy variable for working in social care and controls for age, sex and four-digit occupation. Again, the coefficient on the social-care dummy is statistically insignificant, both when we look at any training ( $p = 0.217$ ) and training aimed at helping people progress in their career ( $p = 0.231$ ).

<sup>41</sup> Care providers are more likely to rely on bank staff (who are on the provider's books, rather than employed through an agency), a group that accounts for 6 per cent of filled posts in adult-social care, to meet short-term staffing needs. The Government also plans for bank staff to be in scope. See Table 3.1 of: Skills for Care, [Adult social care workforce estimates 2024/25](#), October 2025.

<sup>42</sup> Department of Health and Social Care, [Fair pay agreement process in adult social care - impact assessment](#), October 2025.



than their counterparts in the private sector: in 2024-25, average hourly pay for care workers employed by local authorities was 11 per cent higher than for those working for independent providers, and the gap for senior care workers was 24 per cent.<sup>43</sup> Given this – and in the interest of moving quickly – we suggest the ASCNB focuses initially on private-sector care workers, but keeps the inclusion of public-sector carers under review. For example, this could be revisited if FPA terms and conditions begin to overtake local authority agreements, or if there is a case for applying specific parts of the agreement (such as training provisions) to carers employed in the public sector.

The Government should also be conscious of a specific group of employers who may need additional support: people who employ a carer directly, for example using a direct payment received by their local authority. These directly employed carers should also be covered by the FPA, not least given that they have been identified as a group who are particularly vulnerable to poor treatment.<sup>44</sup> But the individuals employing them are also likely to be vulnerable individuals, as well as being less likely to be experienced in employment law, and so may need bespoke guidance and support to help them comply. The Government should also commit to ensuring that personal budgets will increase in line with any pay settlements agreed under the FPA, to make sure that recipients are able to meet its terms. The Welsh Government commitment to paying carers the real Living Wage provides a useful case study of dealing with personal assistants: local authorities are required to ensure that direct payment recipients understand their obligations before they receive payment, and to ensure that the value of the payments is sufficient to meet all relevant costs.<sup>45</sup>

## Plans to exclude the self-employed are sensible, but highlight the importance of addressing ‘bogus’ self-employment

The Government is also considering which employment statuses will be covered.<sup>46</sup> Its proposal is for the FPA to apply to employees and ‘limb (b)’ workers, but not to the self-employed. This is consistent with most aspects of UK employment law, and the approach taken in other countries like Ireland and Australia, reflecting the fact that self-employed workers are their own boss (conceptually, it would not make sense to require them to pay themselves a minimum hourly rate, for example). But the question of whether to include self-employed people raises two important considerations for the FPA.

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<sup>43</sup> In 2024-25, the average hourly pay for care workers was £13.55 in local authorities and £12.18 in the independent sector, and for senior-care workers the average pay rates were £16.00 and £12.91 respectively. See Table 6.2 of: Skills for Care, [Adult social care workforce estimates 2024/25](#), October 2025.

<sup>44</sup> J Woolham et al., The employment conditions of social care personal assistants in England, *The Journal of Adult Protection* 21(6), October 2019, <https://doi.org/10.1108/JAP-06-2019-0017>; Director of Labour Market Enforcement, [Labour Market Enforcement Strategy 2024 to 2025: annex A - summary of stakeholder evidence](#), November 2024.

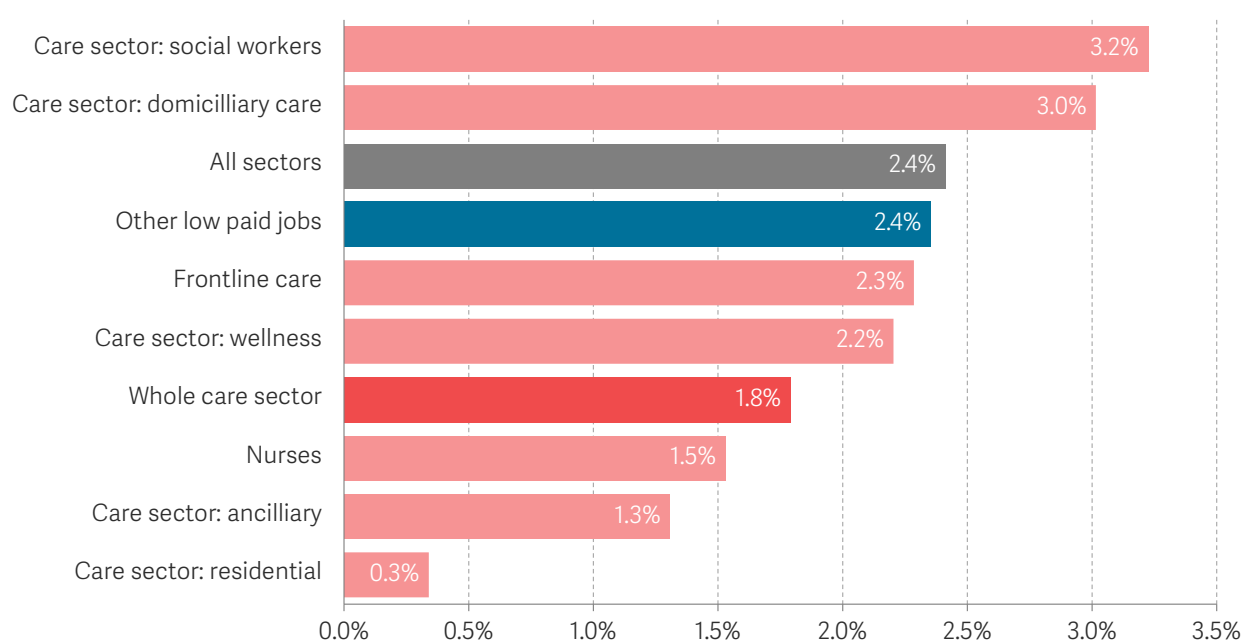
<sup>45</sup> Welsh Government, [Administering the Real Living Wage for social care workers](#), March 2022.

<sup>46</sup> The UK has three employment statuses, each with different rights attached. Employees have the strongest protections; ‘limb (b)’ workers, who tend to be on more casualised contracts, have access to some rights but not, for example, protection against unfair dismissal or redundancy protections; and the self-employed are only entitled to health and safety provisions and protection against discrimination. For further details, see: Acas, [Employment status](#), accessed 13 November 2025.

First, it reinforces the importance of clarifying and enforcing rules around worker status, to reduce the risk of employers misclassifying staff as self-employed to avoid the FPA. As shown in Figure 1, most parts of the social-care sector are not currently at high risk of ‘bogus’ self-employment (which we define as workers who report being self-employed and do not employ anyone else, but who lack autonomy over their work, or whose tax arrangements suggest a high likelihood that they are not in fact self-employed).<sup>47</sup> Nevertheless, this remains an important issue – and as the floor on pay and conditions is raised, the incentive for employers to misclassify workers will increase. Clarifying and enforcing the law around worker status should be a priority across the labour market.<sup>48</sup> But the FPA could also be used to provide further clarity on this issue in the social care context, for example by setting out clear criteria for when a care worker could legitimately be classed as self-employed.

**FIGURE 1: Most parts of the social care sector are not currently at high risk of ‘bogus’ self-employment**

Proportion of workers at risk of ‘bogus’ self-employment, selected social care occupations and all low-paid jobs: UK, 2018-2023



NOTES: This measure refers to solo self-employed people (who are working for themselves, as a subcontractor, doing freelance or other work, and do not employ any staff) who either said they had no autonomy over their work hours, tasks or task order, manner or pace, or who said they do not pay both their own National Insurance or tax, have National Insurance and tax deducted by the organisation(s) they work for, or said this job or business does not prepare annual business accounts for HMRC.  
SOURCE: RF analysis of ISER, Understanding Society.

<sup>47</sup> More specifically, we follow the definition set out in Annex B of N Cominetti & C McCurdy, *Low Pay Britain 2025: Where next for the Government's employment reforms?*, Resolution Foundation, July 2025, <https://doi.org/10.63492/bjv537>: "Workers are labelled as 'self-employed: risk of bogus' if they self report as solo self employed (self employed with no employees) and either: report experiencing no autonomy on any of four domains (work hours, tasks, task order, manner or pace of work); or say they do not pay both their own National Insurance or tax, have National Insurance and tax deducted by the organisation(s) they work for, or said their job or business does not prepare annual business accounts for HMRC."

<sup>48</sup> N Cominetti & C McCurdy, *Low Pay Britain 2025: Where next for the Government's employment reforms?*, Resolution Foundation, July 2025, <https://doi.org/10.63492/bjv537>.

Second, although self-employed workers are excluded from most aspects of employment law, they are covered by health and safety regulations and protection against discrimination. If these areas are included in a future FPA, then self-employed workers should be brought into scope. The Government should ensure that the legislation setting up the ASCNB allows for extending coverage to self-employed workers in the future.

## The Adult Social Care Negotiating Body should start by focusing on pay, progression and training

We have so far discussed who should be around the ASCNB table, and which workers should be covered by the FPA. But perhaps the most important design question for improving the quality of work in the care sector is which terms and conditions should fall within in scope of the Fair Pay Agreement?

There is a long list of different elements of job quality that could potentially be in scope, some of which are more amenable to policy intervention than others: for example, contract security or regularity of hours, low hourly pay and sick pay arrangements.<sup>49</sup> There are other more subjective elements of work, such as satisfaction with work, or feelings of burnout and anxiety, that are more difficult to regulate for, but this doesn't mean they are any less important.

Unsurprisingly, the Government's approach looks likely to focus on the aspects of job quality that are most amenable to policy intervention.<sup>50</sup> In its 2024 General Election manifesto the Labour Party said it would establish a FPA in adult social care that "will set fair pay, terms and conditions, along with training standards".<sup>51</sup> Now in office, the Government has confirmed that pay will be in scope. But what form that takes is yet to be decided. For example, is the main priority when it comes to pay to raise the pay floor across the sector, or should the negotiating body introduce a pay scale that rewards experience and encourages progression? Similarly, the Government's consultation documents have made explicit reference to "other matters such as – potentially – training and development for adult social care workers".<sup>52</sup>

Our view is that the Government should move quickly to get the FPA off the ground. To do so, we propose a framework to prioritise which terms and conditions should be in

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<sup>49</sup> For a detailed discussion of different aspects of job quality, see: N Cominetti et al., [Low Pay Britain 2023: Improving low-paid work through higher minimum standards](#), Resolution Foundation, April 2023.

<sup>50</sup> It is worth noting that subjective elements of work and aspects of work that are more amenable to policy are not mutually exclusive to each other: for example, there is evidence that more security in working hours might also improve workers' well-being. See: A Felstead et al., [Unpredictable times: the extent, characteristics and correlates of insecure hours of work in Britain](#), *Industrial Relations Journal* 51(1-2), January 2020.

<sup>51</sup> The Labour Party, [Change: Labour Party Manifesto 2024](#), June 2024.

<sup>52</sup> DHSC, [Open consultation: Fair pay agreement process in adult social care – consultation document](#), October 2025.

scope. This should be guided by the answers to the following five key questions:

- which issues do workers themselves care about?
- is the issue contributing to the staffing crisis?
- does it necessitate collective action?
- will it be addressed by some other element of the ERB? and,
- how have other countries successfully got sector deals off the ground?

### Which areas do workers care about?

Not every aspect of job quality can be written into a Fair Pay Agreement. But understanding what matters most to workers themselves is an essential starting point.

To start with, it's clear that care workers care about their work and the people they care for. As survey evidence commissioned by Skills for Care shows, three-quarters of carers surveyed applied to work in the sector because "they wanted to work with and care for people".<sup>53</sup> Similarly, previous Resolution Foundation work has highlighted that the nature of care work can be immensely satisfying, especially the human side of the job – like "going out of a client's house, knowing you've made that slightest bit of difference puts a smile on your face".<sup>54</sup> Care workers are also acutely aware of the importance of their work, which is both high-skilled (requiring an immense amount of emotional intelligence and knowledge of how to treat adults with different disabilities) and high-responsibility (it requires workers to ensure the safety of their client by administering medication, for example).

These positive attitudes towards care work – which reflect the intrinsic value of their high-stakes work – are mirrored by the fact that care workers are more satisfied with their job than other low-paid workers. Data from the Skills and Employment Survey, which has tracked workers' views on a wide range of different aspects of work since the 1980s, confirms this trend.<sup>55</sup> Figure 2 shows that in 2024, 89 per cent of social care workers said they were satisfied with their job, compared to 84 per cent of those in other low-paid jobs.

<sup>53</sup> K Silversides & M Astakhov, *Understanding the reasons care workers move on and their future intentions: Scoping study*, Skills for Care, February 2023.

<sup>54</sup> This quote comes from a focus group Resolution Foundation held in 2023. See: N Cominetti, *Who cares? The experience of social care workers, and the enforcement of employment rights in the sector*, Resolution Foundation, January 2023.

<sup>55</sup> Occupations using the Skills & Employment Survey are defined according to SOC 2000 classification. 'Care workers' is SOC code 611. This is a broader definition than the other data sources used in this note, but it is the narrowest grouping in the available data. The ONS Labour Force Survey shows that the group typically used to define care workers makes up around seven-tenths of this broader SOC 611 category. 'Other low-paid jobs' include the following SOC codes: 543, 612, 622, 623, 629, 711, 712, 721, 811, 812, 813, 814, 821, 822, 911, 912, 913, 914, 921, 922, 923, 924, 925. These include jobs such as cleaning, childcare, hairdressing, housekeeping, retail assistants, process jobs in factories, transport drivers, and jobs with lower skill requirements in agriculture, construction, storage, administration, and security. These categories were originally defined in N Cominetti, *Who cares? The experience of social care workers, and the enforcement of employment rights in the sector*, Resolution Foundation, January 2023.

**FIGURE 2: Care workers are more satisfied with their job than other low-paid workers**

Proportion of workers who are satisfied (completely, very or fairly) with their job, by selected occupation: UK



NOTES: 2024 figures kindly provided by Professor Alan Felstead.

SOURCE: RF analysis of UK, Skills & Employment Survey.

This idea that care workers place a high value on their work is reinforced by other evidence from the Skills and Employment Survey, which shows they often go above and beyond what is formally required by their job. In 2024, almost three-quarters (73 per cent) of social care workers expressed that “they put a lot more effort into their job beyond what is required”, compared to 61 per cent of all workers and 55 per cent of workers in other low-paid roles. But this tendency to go beyond the call of duty is leading to some more pernicious outcomes. In focus groups the Resolution Foundation ran in 2023, many care workers spoke candidly about how they found the intensity of work difficult to manage.<sup>56</sup> In particular, home care workers mentioned that rotas were often overly full.

*“Sometimes there’s barely enough time to do our own rota without fitting more in. You are pushed every day on your own rota without having extras.”*

**(Home care worker)**

The demanding nature of the job means that many care workers operate under a high degree of pressure and some experience exhaustion. In 2024, over half (54 per cent) of social care workers reported that they always or often come home exhausted, with

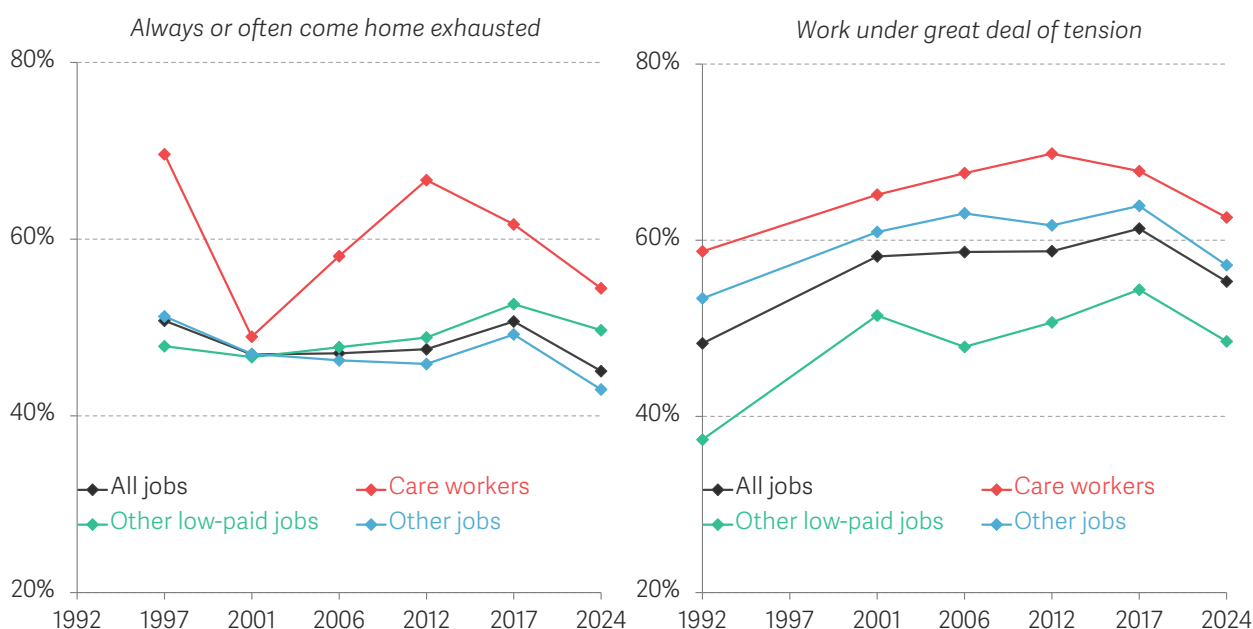
<sup>56</sup> Three focus groups were run with frontline workers to learn more about the social care workforce. See: N Cominetti, *Who cares? The experience of social care workers, and the enforcement of employment rights in the sector*, Resolution Foundation, January 2023.

almost two-thirds (63 per cent) working under a great deal of tension (see Figure 3).<sup>57</sup>

Exhaustion and poor staff morale are often cited as consequences of the recruitment crisis: with too few staff, the remaining workers are left to respond to an ever-growing mountain of unmet demand for adult social care.<sup>58</sup> But the causality can also work in the opposite direction: some employers report that workers are regularly turning down additional hours because of low morale.<sup>59</sup>

**FIGURE 3: Care workers experience exhaustion and work under a great deal of tension**

Proportion of workers who always or often come home from work exhausted (left) and who work under a great deal of tension (right), by selected occupation: UK



NOTES: 2024 figures kindly provided by Professor Alan Felstead.

SOURCE: RF analysis of UK, Skills & Employment Survey.

We now turn to something we already know is going to form part of the FPA: pay. As the left-hand panel of Figure 4 shows, care workers are considerably more fed up with their pay than they were three decades ago: in 2024, just over half (52 per cent) said they were completely, mostly or somewhat satisfied with their pay, down from 70 per cent in 1992. By way of contrast, there has been far less of a downward trajectory for other low-paid roles, with the proportion saying they are satisfied with their pay hardly budging, from 64 to 62 per cent over the same period.

<sup>57</sup> There are, however, some encouraging signs that on both these measures of 'poor' job quality, things have improved since 2012.

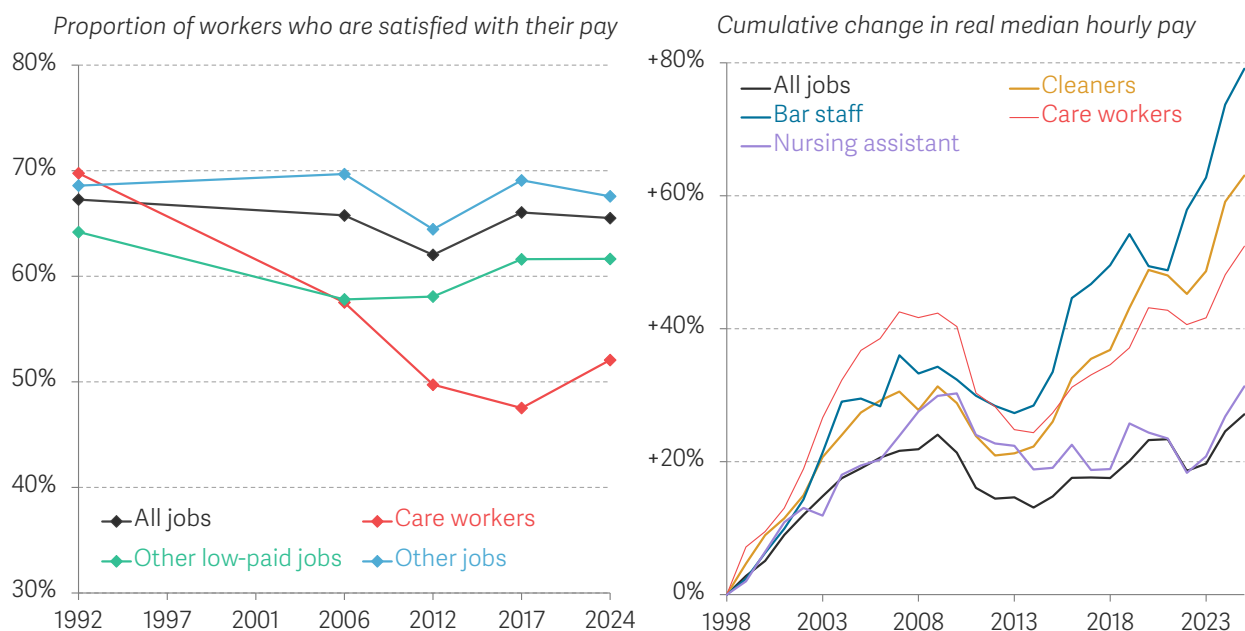
<sup>58</sup> DHSC, *Adult social care workforce survey*, April 2025.

<sup>59</sup> M Blake et al., *The Adult Social Care workforce and their work-related quality of life: Findings on work related quality of life and wellbeing – wave 1*, Ipsos, University of Kent & Skills for Care, February 2025.



**FIGURE 4: Care workers are considerably less happy with their pay than they were in 1992**

Proportion of workers who are satisfied with their pay (left) and change in real median hourly pay (right), by selected occupation: UK



NOTES: 2024 figures from the Skills & Employment Survey kindly provided by Professor Alan Felstead.  
SOURCE: RF analysis of UK, Skills & Employment Survey; ONS, Annual Survey of Hours & Earnings; ONS, CPI inflation series.

That care workers are less satisfied with their pay in 2024 compared to before the introduction of the minimum wage might seem surprising, given that the UK's rapidly rising minimum wage has significantly pushed up earnings for the lowest-paid workers, including those working in care.<sup>60</sup> But there are three important reasons that help explain why care workers might feel aggrieved about their pay. First, the 'pay premium' care workers once enjoyed over other low-paid occupations has shrunk. The real (in 2025 prices) hourly pay gap between care workers and cleaners, measured using the Annual Survey of Hours and Earnings, has fallen from £2.70 in 2008 to 90p by 2025.<sup>61</sup> As the right-hand panel of Figure 4 highlights, real median hourly pay since 1998 has grown faster for other low-paid occupations such as bar staff (79 per cent) and cleaners (63 per cent) than for care workers (52 per cent).

Second, the pay structure in social care has flattened over time, meaning there has been a reduction in the financial reward given to more experienced workers. As Figure 5 shows, the minimum wage has done a remarkable job at boosting pay at the bottom end of the distribution. Hourly pay for the lowest-paid care workers (at the 10th percentile of the hourly pay distribution) has risen annually by 2.6 per cent in real terms, on average,

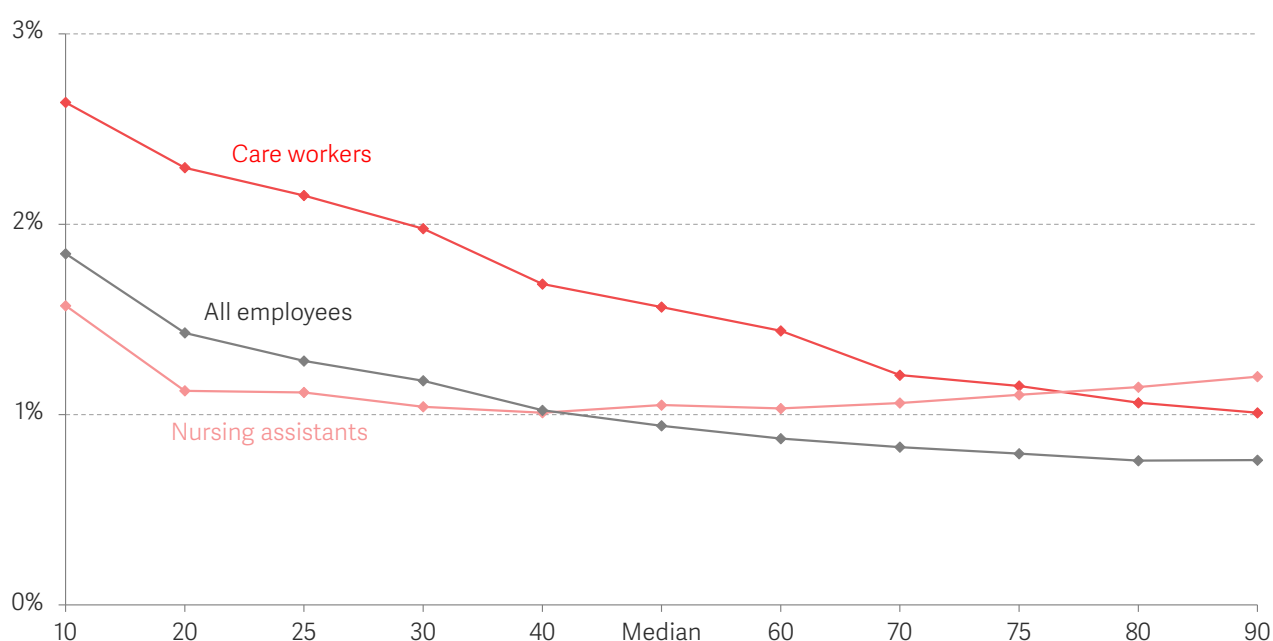
<sup>60</sup> Low Pay Commission, *National Minimum Wage: Low Pay Commission Report 2024*, February 2025.

<sup>61</sup> Care workers in the Annual Survey of Hours & Earnings, defined by the ONS, refer to the following occupational groupings: SOC 6135 & 6136, and the equivalent SOC10 6145 & 6146, SOC 2000 6115.

since 1997, but the equivalent pay growth for the highest-paid care workers (at the 90th percentile of the hourly pay distribution) has averaged just 1.0 per cent over the same period. As a result, the wage distribution for care workers has become more compressed over time. In relative terms, the ratio between the highest-paid (90th percentile) and lowest-paid (10th percentile) care workers (the 90:10 ratio) has fallen from 2.4 to 1.5 for care workers; for nursing assistants, this fall has been far more muted, with the ratio falling marginally from 1.8 to 1.6.

**FIGURE 5: Care workers' pay structure has become more compressed over time**

Average annualised growth in real hourly pay, at different points of the pay distribution, for selected occupations: UK, 1997-2025



SOURCE: RF analysis of ONS, Annual Survey of Hours & Earnings; ONS, CPI inflation series.

Separate evidence, including from Skills for Care, confirms this picture of a lack of pay progression in care: in 2025, care workers with at least five years of experience in the sector could only expect to earn 7p more an hour than those with less than one years' experience – down from a 33p pay premium in 2016.<sup>62</sup> By contrast, healthcare assistants (HCAs) in the NHS (those at band 3, which is considered most comparable, in terms of skills and experience, to social care workers) with two or more years' experience can earn up to 85p more per hour, in 2025-26, than the equivalent HCAs with no experience.<sup>63</sup>

A third reason why care workers may feel dissatisfied is that, for some, their actual hourly pay is likely to be far lower than official data suggest. Home care workers (of which there

<sup>62</sup> Other evidence shows wage rises at the top of the distribution have not kept pace with wages rises at the bottom (thanks to a fast-rising minimum wage). See: W Fenton et al., *The state of the adult social care sector and workforce in England 2025*, Skills for Care, October 2025; F Vadean & S Allan, *The effects of minimum wage policy on the long-term care sector in England*, The NIHR Policy Unit in Adult Social Care, October 2020.

<sup>63</sup> NHS Employers, *Pay scales for 2025/26*, May 2025.

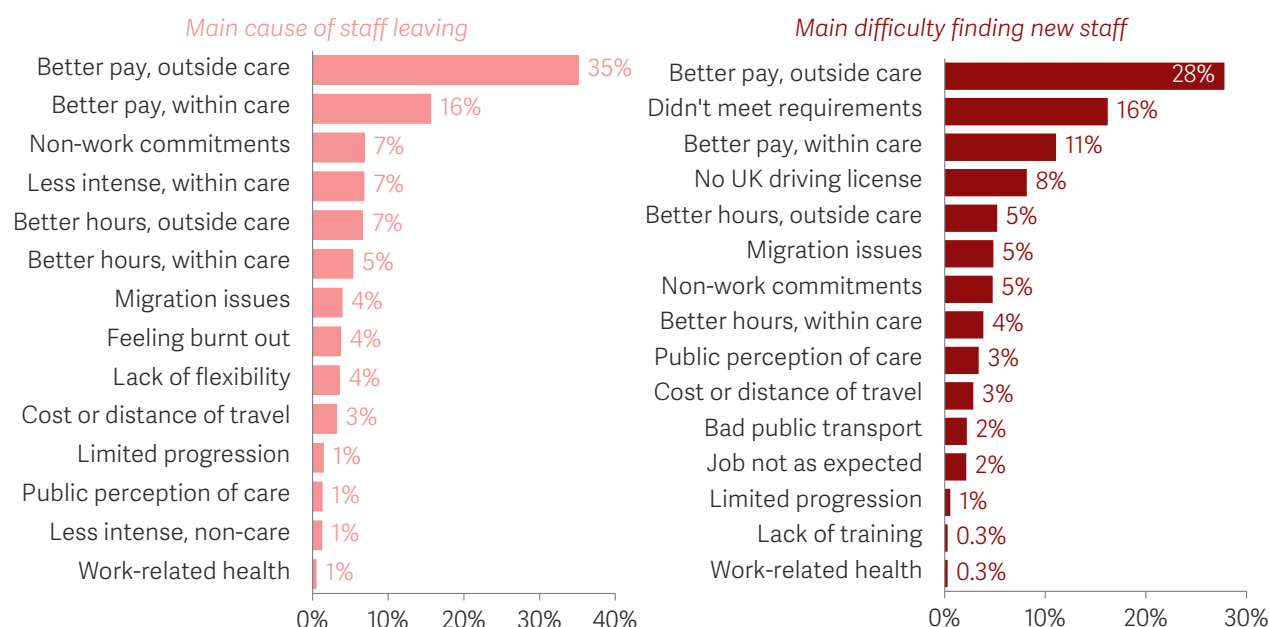
were 740,000 in England in 2024-25) are often not paid for their travel time between clients' homes or appointments; according to one survey, roughly three-quarters of home carers report not being paid for travel between visits.<sup>64</sup> This is despite the fact that it is not legal for a worker's average hourly rate, once travel time is factored in, to fall below the minimum wage.<sup>65</sup> Average hourly pay for a home care worker in the independent sector was £12.28 in 2024-25.<sup>66</sup> If this worker isn't paid for travel time and spends the average amount of time spent travelling between clients for carers (equal to 20 per cent of their working day, or 12 minutes for each hour worked), then their effective hourly pay rate would be £10.23, or £1.21 an hour below the 2024-25 adult minimum wage (£11.44).<sup>67</sup>

### Which areas are contributing to the staffing crisis?

When it comes to identifying which factors are contributing to the sector's recruitment and retention woes, pay, again, stands out. When social care providers were asked what the main cause of staff leaving was (the left-hand panel of Figure 6), over one-third (35 per cent) responded better pay outside of care. Similarly, when care providers were asked about the main difficulty finding new staff, roughly three-in-ten (28 per cent) responded better pay offers outside care (the right side of Figure 6).

**FIGURE 6: Social care providers say there is a sector shortage primarily because of better pay elsewhere**

Proportion of social care providers reporting the main cause of staff leaving (left) and main difficult finding new staff (right): England, 2024



SOURCE: RF analysis of DHSC, adult social care workforce survey.

<sup>64</sup> UNISON, *Majority of homecare staff are unpaid for travel between visits*, June 2023.

<sup>65</sup> HMRC, *HMRC internal manual: National Minimum Wage Manual*, April 2016.

<sup>66</sup> Source: Skills for Care, *Adult social care workforce estimates 2024/25*.

<sup>67</sup> These estimates of the average time spent travelling between clients come from the Homecare Association. See: Homecare Association, *A Minimum Price for Homecare*, December 2023.

We already know that pay is on the table for the Fair Pay Agreement; given the evidence presented above, this is very welcome. But in what form should it be taken forward? Our starting point would be to put in place measures that help address the widespread issue of minimum wage underpayment which largely arises because home care workers are typically not paid for their travel time. Not paying workers for travel time is legal if a worker's pay for contact time is high enough such that, when total pay within a pay period is divided by total hours worked (which includes time travelling between visits) the figure is above the minimum wage. But as we showed above, the risk of minimum wage underpayment is high. This is in the first instance an issue for the labour market enforcement system to resolve: HMRC must ensure that travel time is fully taken into account when assessing care providers against minimum wage law. Beyond better enforcement, there are two other approaches to deal with this problem. One – which we called for in the past – would be to set an hourly rate for contact time high enough that carers' pay does not – after accounting for travel time – fall below the legal minimum wage.<sup>68</sup> A second option, which has been called for by unions, would be to change the approach to minimum wage law such that pay for any individual hour worked (including travel time) must be above the minimum wage, not just that average hourly pay within a reference period must be.<sup>69</sup>

Moreover, based on the very flat pay structure in care, the Government may want to consider the introduction of pay scales, which reward experience and would make the sector more attractive as a long-term career prospect. There is wide support for this idea from the likes of the Association of Directors of Adult Social Services (ADASS), Care England, the TUC and others.<sup>70</sup> One option would be to benchmark the care sector to the NHS's Agenda for Change, where there are very clearly defined pay spines. This option is already in practice in England, albeit at a small scale: in Northumbria, care workers are paid NHS Agenda for Change rates.<sup>71</sup> Pay scales in care have been introduced in Australia, France and New Zealand, and an approach that was pegged to the NHS's Agenda for Change would be very similar to current proposals in Ireland to align early years pay scales with schoolteacher pay scales.<sup>72</sup>

Could the issue be resolved by collective action?

Training is another area where standards need raising. In 2024-25, over half of the social

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<sup>68</sup> N Cominetti, *Who cares? The experience of social care workers, and the enforcement of employment rights in the sector*, Resolution Foundation, January 2023.

<sup>69</sup> UNISON, *Majority of homecare staff are unpaid for travel between visits*, June 2023.

<sup>70</sup> For a more detailed discussion, see: L Allen et al., *From ambition to reality: national policy options to improve care worker pay in England*, The Health Foundation and Nuffield Trust, July 2024.

<sup>71</sup> Although this is primarily because there aren't enough social care providers, which has led the NHS trust to directly provide some homecare. C Lobont, *What can the government learn from other countries' attempts to reform pay in social care?* Nuffield Trust, August 2024.

<sup>72</sup> M O'Sullivan & C Murphy, *Pathways to Better Prospects: Delivering Proper Terms and Conditions for the Early Years Workforce in Ireland*, University of Limerick, December 2020.

care workforce lacked any relevant social care qualification.<sup>73</sup> It is problematic from a quality-of-care perspective that many workers lacked the basic skills and knowledge to do their job properly. Gaps in training also contribute to the recruitment and retention crisis: Skills for Care data shows that care workers who received training had turnover rates around one-fifth below those with no training recorded.<sup>74</sup>

But the funding of specific skills training is expensive, and potentially risky for individual employers to pay for (because of the high risk that staff would leave and the benefits accrued by other employers). Sector-wide collective action to support and agree minima for training and development – coordinated through the ASCNB – would help overcome this lack of incentive to invest by ensuring that all employers contribute to, and benefit from, a more skilled workforce. There is therefore a strong case for including training as part of the FPA, building on a long history of industry partnerships, at home and abroad, designed to upskill current and future workforces. For example, the Construction Industry Training Board sets National Occupational Standards, and the security industry uses licensing requirements to ensure workers have been trained to minimum industry standards.<sup>75</sup> In the US state of Minnesota, the sector body sets training standards for the nursing home workforce.<sup>76</sup>

To its credit, the Government is taking steps to improve training and progression in care, introducing the first universal career structure in adult social care, which has so far set up new job roles to provide a clearer career pathway for care workers.<sup>77</sup> Similarly, a voluntary Care Certificate already exists: it aims to equip health and social care workers with “the same introductory skills, knowledge and behaviours to provide compassionate, safe and high quality care and support”.<sup>78</sup> As it stands, 42 per cent of care workers in England hold this certificate.<sup>79</sup> These efforts to raise the bar on training and progression would be more effective if embedded through sector-wide collective action, ensuring that standards are applied consistently across care and helping to reduce the fear among some employers that investing in training would leave them undercut by those that choose not to invest.

Will it be addressed by some other aspect of the Employment Rights Bill?

It's important to acknowledge that other elements of the Employment Rights Bill (ERB)

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<sup>73</sup> Source: Skills for Care, Adult social care workforce estimates 2024/25.

<sup>74</sup> Skills for Care, *A Workforce Strategy for Adult Social Care in England*, July 2025; W Fenton et al., *The state of the adult social care sector and workforce in England 2025*, Skills for Care, October 2025.

<sup>75</sup> CITB, *About CITB*, accessed 1 December 2025; Home Office, *The Government's Proposals for Regulation of the Private Security Industry in England and Wales*, March 1999.

<sup>76</sup> S Abrams, *Proposed regulatory board for nursing home workers sparks debate, clears labor committee*, Minnesota House of Representatives, February 2023.

<sup>77</sup> DHSC, *Care workforce pathway for adult social care: overview*, November 2025.

<sup>78</sup> DHSC, *Care Certificate standards*, March 2025.

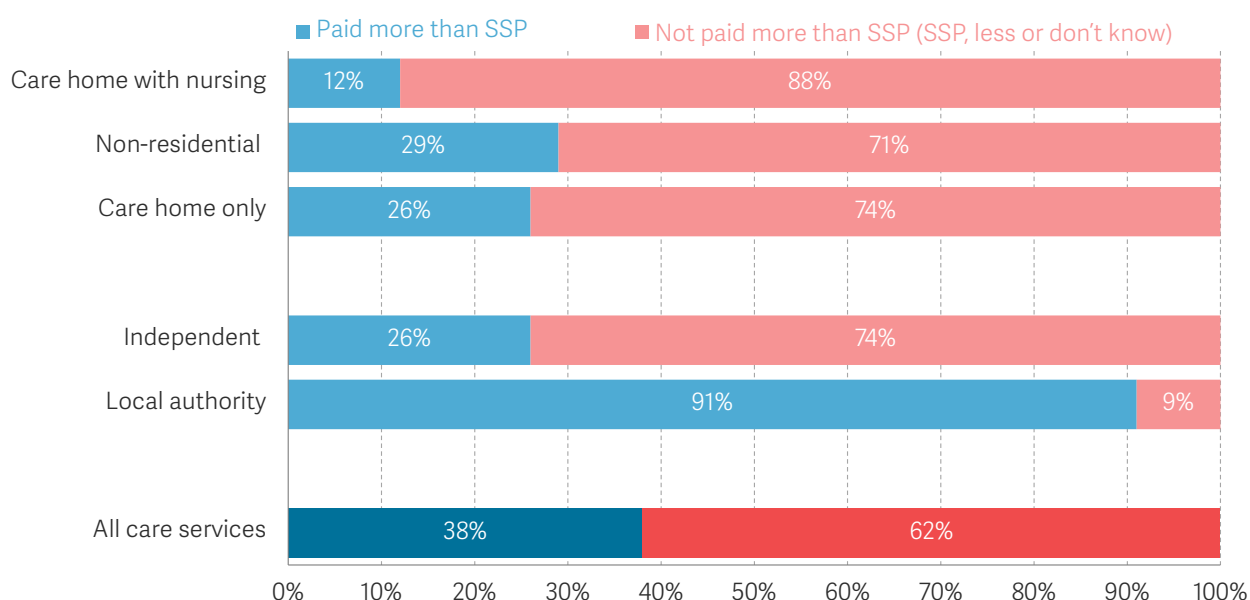
<sup>79</sup> W Fenton et al., *The state of the adult social care sector and workforce in England 2025*, Skills for Care, October 2025.

will drive up conditions in care; indeed, some of the biggest problems the ERB seeks to address are highly concentrated in care. Take Statutory Sick Pay (SSP): three-fifths (62 per cent) of employers in the sector pay SSP or less to care workers that can't work because of sickness, as shown in Figure 7.<sup>80</sup> The ERB has made two substantive changes to SSP: removing the lower earnings limit (or the LEL, which meant workers earning below £125 were ineligible) and removing waiting days (in the old system, workers had to wait until their third day of sickness before payment kicked in). These welcome changes will mean approximately 5 per cent of the care workforce, equivalent to 80,000 jobs, would become eligible for SSP for the first time.<sup>81</sup> However, even with the removal of waiting days, a social care worker on the minimum wage would get just one-quarter (26 per cent) of their full-time pay with a week off sick.

Our view is that SSP needs to be raised across the board, this would help all workers – including those in adult social care who receive SSP or less.<sup>82</sup>

**FIGURE 7: Three-fifths of employers pay statutory sick pay or less to care workers if they are off due to sickness**

Proportion of employers who pay care workers more or less than Statutory Sick Pay (SSP) if they take a period of illness, by different settings and all services: England, 2024-25



SOURCE: Skills for Care, Adult social care workforce estimates 2024/25.

<sup>80</sup> This is based on a Skills for Care survey question that asked employers "do you pay your care workers more than Statutory Sick Pay if they cannot work because of illness?"

<sup>81</sup> Source: RF analysis of ONS, Labour Force Survey.

<sup>82</sup> Resolution Foundation has previously called for the Government to raise the overall level of SSP to ensure adequate support for all workers. We propose a replacement rate – the proportion of earnings a worker gets while off sick – of 80 per cent, consistent with the Coronavirus Job Retention Scheme. N Cominetti & H Slaughter, *Labour Market Outlook Q4 2024*, Resolution Foundation, December 2024.

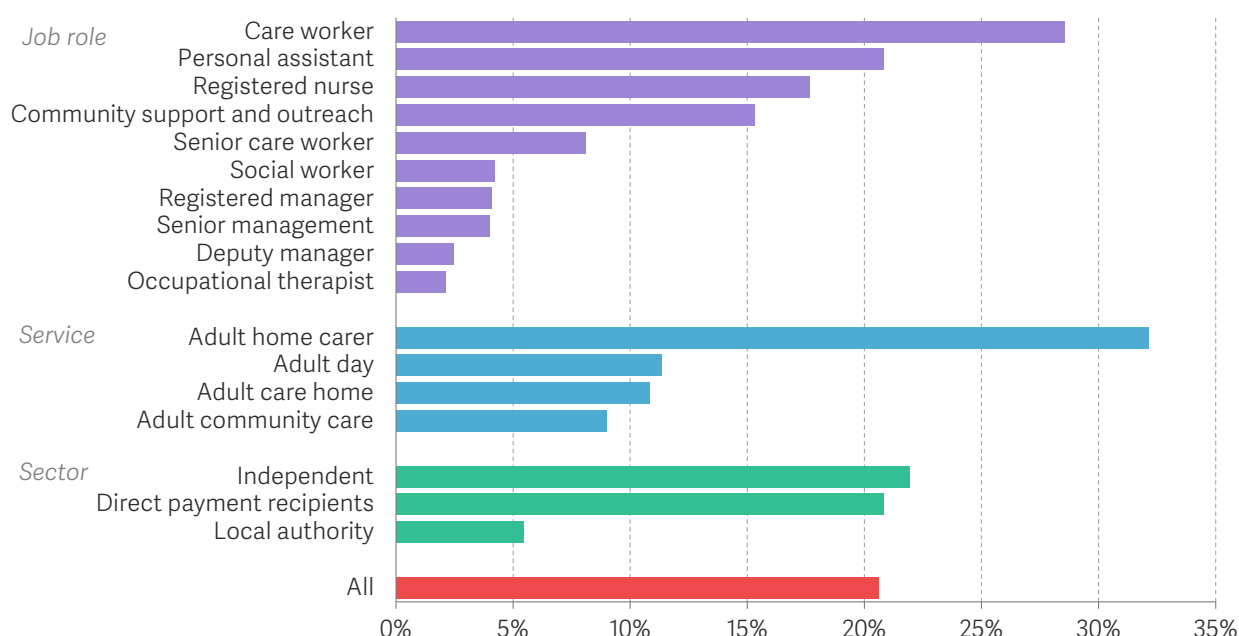


Action to tackle hours insecurity is another of the most important elements of the ERB. This plan, framed as a clampdown on exploitative zero-hours contracts (ZHCs), has two main parts: offering workers (on ZHCs or low-hour contracts) a right to a contract that reflects the number of hours they regularly work, and a right to reasonable notice of shift patterns and compensation for cancellation at short notice. As Figure 8 shows, in 2024-25, 21 per cent of the adult social care workforce were employed on ZHCs, rising to 32 per cent for those working in adult home care. This means that home care services account for around 238,000 (or 72 per cent) of the estimated 330,000 ZHC jobs in the sector. On top of this, 18 per cent of care workers in 2024 stated they were “very anxious about unexpected changes to their hours worked”, compared to 12 per cent of other low-paid workers.<sup>83</sup>

The ERB’s measures on zero-hours contracts should go a long way to resolving these problems of hours insecurity; this policy should considerably reduce care workers’ anxiety and enable them to plan their lives more effectively.<sup>84</sup> For this reason, we don’t recommend that hours fall in scope of the FPA.

**FIGURE 8: Almost one-third of the home carer workforce are on a zero-hours contract**

Proportion of workforce on zero-hours contracts, different forms of care work: 2024-25



SOURCE: RF analysis of Skills for Care, Adult social care workforce estimates 2024/25.

<sup>83</sup> Source: UK Skills & Employment Survey.

<sup>84</sup> We have made a series of detailed policy proposals based on the Government’s plan to tackle exploitative zero-hours contracts. See: N Cominetti & C McCurdy, *Low Pay Britain 2025: Where next for the Government’s employment reforms?* Resolution Foundation, July 2025.

## What's on the table in comparable international sectoral agreements?

Finally, the Government is not alone in establishing a sector agreement in adult social care, and it can draw on lessons from other countries about which terms and conditions it should prioritise to help get the FPA off the ground.

International evidence shows that pay is always included in comparable sector agreements, with training and progression increasingly so in more mature agreements (see Figure 9). For example, recently established care agreements in the US states of Nevada and Colorado have focused exclusively on raising pay, whereas the more-established early years Joint Labour Committee in Ireland includes bargaining over a pay structure and training. In 2017, the Care and Support Workers Pay Equity Settlement was introduced in New Zealand, which established a sector pay scale linked to qualifications and years of experience. And in Australia, when an employee working in Social, Community, Home Care and Disability Services is required to travel between clients this time counts as paid work time.

**FIGURE 9: Pay is always on the table in comparable sectoral agreements**

International examples of sectoral agreements comparable to the social care Fair Pay Agreement

Country / system	Legal basis	Pay	Training	Hours	Sick pay	Holiday	Pension	Travel time
Sweden health and social care	Voluntary	✓ (scales)	✓	✓	✓	✓	✓	
Netherlands nursing and care	Statutory	✓	✓	✓	✓	✓	✓	✓ (home care)
France health and social sector reform	Statutory	✓ (scales)	✓	✓	✓	✓	✓	
Ireland Early Years JLC / ERO	Statutory	✓ (scales)	✓					
UK Ethical Care Charter	Voluntary	✓ (living wage)	✓	✓				✓
New Zealand Care and Support Workers Pay Equity Settlement	Statutory	✓ (scales)	✓					
Australia Social, Community, Home Care & Disability Services	Statutory	✓ (scales)	✓	✓	✓	✓	✓	✓ (home care)
US Minnesota Nursing Homes	Statutory	✓	✓			✓		
US Nevada Home Care	Statutory	✓						
US Colorado Direct Care	Statutory	✓						

SOURCE: L Allen et al., From ambition to reality: national policy options to improve care worker pay in England, The Health Foundation & Nuffield Trust, July 2024; Fair Work Ombudsman, Pay and allowance in the Social, Community, Home Care and Disability Services Industry Award; Wage Indicator Foundation, Sweden – New collective agreement in health and social care, accessed 8 December 2025; FNV, Negotiation result collective labor agreement Nursing and care homes and home care, March 2022; UNISON, The Ethical Care Charter, accessed 8 December 2025; D Madland & S Shiva, Industry Standards Boards Are Delivering Results for Workers, Employers, and Their Communities, Center for American Progress, November 2024.

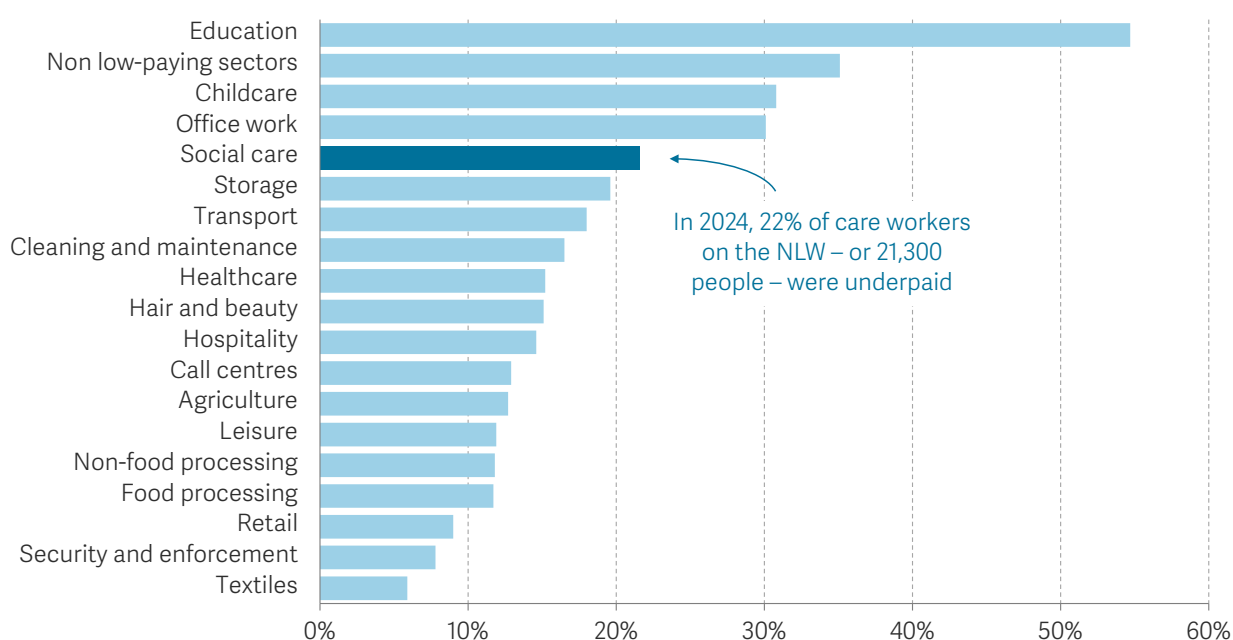
In the spirit of getting the FPA off the ground, we recommend that the Government should start by focusing on a set of top priorities that includes pay (with payment for travel time), progression and training. Future agreements should review the evidence base and be open to considering wider terms and conditions.

## The Fair Work Agency should play a central role in ensuring compliance with the FPA, backed up by commissioning-based enforcement

Effective enforcement will be critical to the success of the FPA. Non-compliance is already a problem in social care: government figures suggest that in 2024, 21,300 care workers were paid less than the minimum wage (Figure 10), with the true scale of underpayment likely higher once we account for the fact that unpaid travel time often brings home carers' average pay below the minimum wage.<sup>85</sup> The sector has also consistently been identified as a high-risk sector in the UK's labour market enforcement strategies.<sup>86</sup> And as the FPA increases the requirements on employers, the economic incentive to not comply is likely to increase (although for publicly funded care, this should be mitigated, at least to some extent, by government funding).<sup>87</sup>

**FIGURE 10: One-fifth of minimum wage social care workers are underpaid**

Minimum wage underpayment of the main adult rate as a proportion of coverage, by low-paying sector: UK, 2024



NOTES: Low-paying sectors are defined by the Low Pay Commission based on both industry and occupation.

SOURCE: Low Pay Commission, Compliance and enforcement of the National Minimum Wage in 2024.

It is welcome that pay-related elements of the FPA will be enforced by the Fair Work

<sup>85</sup> N Cominetti, *Who cares? The experience of social care workers, and the enforcement of employment rights in the sector*, Resolution Foundation, January 2023.

<sup>86</sup> Most recently, see: Director of Labour Market Enforcement, *United Kingdom Labour Market Enforcement Strategy 2025 to 26: Annex B: labour market and non-compliance risk analysis*, July 2025.

<sup>87</sup> For a discussion of the economic incentives to comply with labour market rules, and their relationship to the level of minimum standards, see: L Judge & A Stansbury, *Under the wage floor: Exploring firms' incentives to comply with the minimum wage*, Resolution Foundation, January 2020.

Agency (FWA), the new cross-cutting labour market enforcement body that will be established in April.<sup>88</sup> This should put the FPA on an equal footing with other aspects of employment law and help to ensure that it is taken seriously by employers. However, the effectiveness of this approach will ultimately hinge on the resources and powers of the enforcement system. It is promising that the impact assessment for the FPA assumes there will be dedicated funding for enforcement – but this comes in the context of an under-resourced enforcement system across the board.<sup>89</sup> And the current plan is for penalties for non-compliance with the FPA to be consistent with those for minimum wage underpayment (up to 200 per cent of arrears owed), which is not high enough to deter non-compliance unless there is a very high probability of detection.<sup>90</sup>

But other rights are expected to be classed as contractual and left to individual workers to enforce. Individual enforcement can be problematic: the majority (60 per cent) of private sector workers would not know where to go with a concern; many are reluctant to raise issues for fear of employer retaliation; and employment tribunals, the last resort for individual enforcement, face backlogs of up to two years in some parts of the country.<sup>91</sup> Moreover, it is exactly those workers who are most likely to face labour market violations, such as lower earners, who tend to be least likely to take individual action.<sup>92</sup> And in other countries, it is standard practice for sector-level agreements to be enforced by the state across the board. In Ireland, for example, any breaches of an Employment Regulation Order can be referred to the Workplace Relations Commission (the equivalent of the Fair Work Agency).<sup>93</sup>

To reduce the risks associated with individual enforcement, we recommend that the FWA have a greater role by enforcing any elements of the FPA where there is a clear-cut distinction between whether an employer has or has not complied.<sup>94</sup> It may also be appropriate for other enforcement bodies to be involved, especially if the remit for a future FPA includes health and safety or protection from discrimination, which are enforced by the Health and Safety Executive and the Equality and Human Rights Commission respectively. And improving the functioning of employment tribunals – including by ensuring awards are properly enforced – will be crucial for those cases where adjudication is needed.<sup>95</sup>

<sup>88</sup> For more on the Fair Work Agency, see: Department for Business & Trade, [Factsheet: The Fair Work Agency](#), October 2024.

<sup>89</sup> L Judge & H Slaughter, [Enforce for good: Effectively enforcing labour market rights in the 2020s and beyond](#), Resolution Foundation, April 2023. The impact assessment assumes that the cost of enforcing the FPA will be in line with minimum wage enforcement.

<sup>90</sup> L Judge & A Stansbury, [Under the wage floor: Exploring firms' incentives to comply with the minimum wage](#), Resolution Foundation, January 2020.

<sup>91</sup> Courts and Tribunals Judiciary, [Employment Tribunals England & Wales: Minutes of the 53rd National User Group meeting](#), January 2025.

<sup>92</sup> L Judge & H Slaughter, [Enforce for good: Effectively enforcing labour market rights in the 2020s and beyond](#), Resolution Foundation, April 2023.

<sup>93</sup> Workplace Relations Commission, [Employment Regulation Orders](#), accessed 28 November 2025.

<sup>94</sup> For example, it should be reasonably straightforward to prove whether an employer did or did not pay their worker correctly, whereas some other rights could require more adjudication.

<sup>95</sup> These recommendations are consistent with previous Resolution Foundation work covering labour market enforcement across the board, which recommended that a single enforcement body should enforce any rights of a binary nature and that the employment tribunal system should be strengthened. L Judge & H Slaughter, [Enforce for good: Effectively enforcing labour market rights in the 2020s and beyond](#), Resolution Foundation, April 2023.

The fact that most social care is commissioned by local authorities also presents an opportunity to strengthen enforcement through commissioning processes: for example, councils could refuse to commission care from providers who have failed to comply with the FPA. Commissioning-based enforcement is not a substitute for the FWA – and indeed, it would partly rely on proactive inspections by the FWA to identify non-compliance in the first place – but it could give providers an additional incentive to play by the rules.<sup>96</sup> To minimise the burden on councils, this could be done via provider self-assessments; this is the approach currently taken to enforce paying social care workers the real Living Wage in Wales (where a recent impact evaluation has highlighted the importance of consistent reporting for this to be effective).<sup>97</sup>

## Conclusion

The Government's plan to introduce an FPA in adult social care rightly recognises that the value care workers provide to society isn't matched by their poor pay and working conditions. It's important to get the details right: the new body must represent the diverse voices of the sector, address issues of poor pay and pay progression, and be properly enforced. A successful FPA along those lines would dramatically improve conditions for existing workers, as well as making the sector more attractive to prospective ones.

However, the general approach should be in the spirit of pragmatism and experimenting with what works as the agreement evolves over time. If we want to ensure the body stands the test of time, speed and simplicity will be of the essence, as the short life of New Zealand's FPAs reminds us. If the FPA for social care is done well, it could become a viable model for other sectors with acute labour market problems, such as warehousing and cleaning sectors: the growth of warehousing has been accompanied by the extensive use of agency workers and intense workloads, and evidence suggests that cleaners are under intense pressure to complete jobs with unrealistic timeframes and are often not paid for working overtime.<sup>98</sup> Addressing these sector-specific labour market problems would help shift the dial on precarity and poor-quality work. But if the initial sector agreement is designed poorly or takes too long to get off the ground, we may have to wait another three decades for institutional innovation of this scale to re-emerge again in England.

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<sup>96</sup> Evidence from Berlin, for example, has found that commissioning-based enforcement without the involvement of state enforcement with sufficient resources and powers was ultimately ineffective: J Arnholtz et al., *Tensions and experimentation in setting, extending and enforcing working conditions: case studies of labour clauses in public procurement*, Transfer: European Review of Labour and Research 31(2), <https://doi.org/10.1177/10242589251340030>.

<sup>97</sup> Welsh Government, *Real Living Wage for social care workers: impact evaluation*, October 2025.

<sup>98</sup> Previous Resolution Foundation work sets out the rationale for intervention in these particular sectors: C McCurdy, H Slaughter & G Kelly, *Putting good work on the table: Reforming labour market institutions to improve pay and conditions*, Resolution Foundation, September 2023.

# Annex 1

## Data citations

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