



Llywodraeth Cymru
Welsh Government

PUBLICATION

The Real Living Wage for Social Care Workers: integrated impact assessment

We assessed how the Real Living Wage for social care workers will affect a number of areas. These include equality, children's rights, health, the environment, and the Welsh language.

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Section 1: What action is the Welsh Government considering and why?

Background

This impact assessment relates to the commitment to pay the Real Living Wage (RLW) to social care workers, that formed part of the Welsh Labour Party Manifesto, and the subsequent Programme for Government 2021- 26. It is in line with **the Well-being of Future Generations (Wales) Act 2015** and with the wider work of Ministers and the Social Care Fair Work Forum on terms and conditions in social care. It also is a part of the agenda to professionalise the social care workforce and provide improved career pathways.

In July 2021, Ministers sought advice from the Social Care Fair Work Forum (SCFWF, the Forum), a tripartite group of employers, unions and government, on the implementation of the RLW uplift. The key points from the Forum's advice were that:

- The commitment should commence as soon as possible.
- A geographically phased approach to roll-out must be avoided.
- The commitment should include registered workers in adults and children's services (care home and domiciliary support services) and Personal Assistants (PA's).
- The Welsh Government should provide a contributory element towards the corresponding cost of uplifting differentials.
- Providers should be actively encouraged to sign up to a set of fair work principles.
- Roll-out should not cut across collectively bargained agreements already in place.
- There should be an independent evaluation conducted on the work.

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Therefore, the proposal put forward is to make an uplift payment to a specified group of social care workers, from April 2022 onwards, at the RLW hourly rate.

Impact

Rising living costs and pay disparity in the social care sector mean that pay and conditions are accepted as significant factors in recruitment and retention within domiciliary care and care homes. The pandemic has placed even more pressure on this already struggling sector and has reinforced the importance of having a workforce strategy that crosses both health and social care. Provision of the uplift could have a longer-term beneficial effect on sufficient care being delivered and could ease the pressure across the health and social care system. This may also positively impact the people of Wales with care services having increased capacity to support the reduction of the NHS treatment backlog. While the uplift alone will not address these challenges, it will contribute to the longer-term ambition to raise the profile of the sector as a professional place to work, enhance opportunities for individuals to progress their careers, and to help improve recruitment and retention.

This proposal aims to integrate with the Forum's recognition of low pay challenges in the sector. **It also connects with policy objectives in the Welsh Government Health and Social Services Group around the promotion of the health and well-being of people using services. It contributes to allow individuals to achieve positive outcomes and can positively impact workforce capacity and morale.** The policy behind this uplift was developed in partnership with stakeholders across the social care sector and informed by focussed surveys. In this, this proposal also connects with current COVID-19 work streams on care homes and care at home (including the use of Personal Assistants), since increased morale among staff may positively affect quality of care in these settings too and reduce avoidable absences.

We will continue working with partners and stakeholders to achieve successful

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implementation, and collaborate on developing guidance that supports local authorities, health boards, commissioners, employers and workers to deliver successfully this much-needed support to workers from April 2022. We will commission an independent, dynamic evaluation of the RLW implementation that will include specific requirements for engagement with the recipients, people from different demographic groups such as Welsh speakers, and people sharing protected characteristics.

Costs and Savings

Unlike the UK Government minimum wage ('National Living Wage' for over 23s is £8.91 rising to £9.50 in April 2022), the Living Wage Foundation's Living Wage (often referred to as the 'Real Living Wage') is the only wage rate independently calculated based on rising living costs – including fuel, energy, rent and food. From April 2022 it will rise to £9.90.

The Welsh Government intends to make available £43.2m in 2022/23 to deliver the RLW for social care workers in its first year of the rollout, delivering better pay for workers, supporting employers to improve recruitment and retention, and relieve pressure on services.

The cost will be incorporated into the Revenue Support Grant (RSG), with £6.7m for care commissioned by health boards and met from our health budget. This will commence from April 2022, but it is likely to be some months beyond this until uplifted hourly rates are reflected in wages.

The funding includes a contribution towards the cost of maintaining differentials at the lower end of pay scales. This will help employers to continue to pay a supplement for workers that take on some additional duties, or that are paid above the statutory minimum because they have longer service for example.

This is a complex sector with hundreds of employers and tens of thousands of

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workers, with most services in the independent sector. We estimate that, including registered workers and direct payment personal assistants in the RLW for social care workers, it could reach up to 55,000 workers. Which is why we will intend to carefully evaluate the rollout for any potential unintended consequences and to inform future costs.

No legislation is required for this proposal. Local authorities and health boards will administer the proposal of behalf of the Welsh Government using existing structures.

Section 8: Conclusion

8.1 How have people most likely to be affected by the proposal been involved in developing it?

This proposal is based on a number of findings including the [Living Wage Foundation, Fair Work Wales Report](#), work of the Fair Work Commission Labour Manifesto, Programme for Government, Social Care Fair Work Forum discussions, and the report on Scottish Real Living Wage.

We have worked in social partnership in designing all aspects of the Real Living Wage policy, with partners and stakeholders from across the sector. We also commissioned work to survey a representative section of local authorities, health boards and independent employers in support of adequately costing this initiative. We are committed to commission an independent dynamic evaluation of the implementation

8.2 What are the most significant impacts, positive and negative?

The implementation of the Real Living Wage is part of the Welsh Government's commitment to raise the profile of the social care sector, and to support the vital role that the sector plays in maintaining the health and well-being of people who need care.

The intention of the proposal is to provide the uplift payment to eligible social care workers. We expect the uplift to have a positive impact on recruitment and retention within the social care sector (see also: [What innovations help to attract, recruit and retain social care workers within the UK context? \(researchgate.net\)](#)). It aligns with the work of Ministers and the Social Care Fair Work Forum on terms and conditions in social care, as well as the agenda to professionalise the social care workforce and to provide improved career pathways. These actions would help meet the requirements of the Wellbeing of Future Generations Act via a number of the seven well-being goals (A Resilient Wales, A Prosperous Wales, A more Equal Wales and A Wales of Vibrant Culture and Thriving Welsh Language) but more importantly have longer benefits for people and the social care sector.

The uplift recognises the social care workforce and potentially raises their morale and dedication; it can also help to motivate to better utilise their skills, encourage them to use the medium of Welsh and provide them with greater confidence to do so. This recognition could also contribute to increase the number of Welsh language speakers that are confident to deliver services to individuals through the medium of Welsh.

Staff in social care and other sectors who are not in scope for this uplift payment may feel disappointment and/or challenge the rules of the proposal. However, we plan to commission an independent evaluation of the RLW implementation, to assess its effectiveness and impact.

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8.3 In light of the impacts identified, how will the proposal maximise contribution to our well-being objectives and the seven well-being goals; and/or avoid, reduce or mitigate any negative impacts?

The Welsh Government is committed to introduce the Real Living Wage (RLW) for social care workers in Wales in this Senedd term, as a starting point for improving the terms and conditions for social care workers. This falls in line with the Programme for Government and the Wellbeing of Future Generations (Wales) Act 2015.

The Social Care Fair Work Forum, a social partnership group of employers, employee representatives and Welsh Government, provided advice on how to best deliver this commitment without destabilising this fragile and complex sector.

The RLW uplift will further the Welsh Government's commitment to raise the profile of the social care workforce and the sector as a whole. With greater recognition of the workforce, we can move forward the "A Healthier Wales" commitment towards greater integration of services and reinforce communication between healthcare and social care staff to build more sustainable, resilient care and support services for the future.

Whilst the main purpose of the proposal is to deliver a financial wage uplift to eligible social care workers, the payment will indirectly contribute to improved recruitment and retention of workers and increase staff morale and service capacity. By seeking to ensure that we have workers who continue to be highly skilled and professional, with clear career pathways and greater job satisfaction, we hope to see that the improvement in staff retention will improve the sustainability of the sector through greater continuity of care and improved business resilience.

In terms of equality and environmental impacts identified, we will review evidence gathered during the dynamic evaluation, working to promote greater diversity in the social care workforce and create a workforce that reflects society. Our assessment of impact on children and young people suggests that, whilst there is no direct impact to this group as the focus is on social care workers, there will be a positive impact overall on this group through indirect gains e.g. more money to spend in the household.

Regarding impact of the proposal on the Welsh language, the guidance and communications will be available bilingually. There are also indirect gains from uplifting the pay, as we expect to see some improvement of the workforce morale, enhanced continuity of care, and care delivered in the medium of the Welsh language. Appreciation for the work social care workers do also might encourage them to learn Welsh as part of the person-centred care and support model.

8.4 How will the impact of the proposal be monitored and evaluated as it progresses and when it concludes?

We will commission an independent, dynamic evaluation of the RLW implementation that should consider not only the effectiveness of the rollout and its success delivering the uplift to the pockets of workers but will also include specific requirements for engagement with people from different demographic groups i.e. people sharing protected characteristics including intersectionality. This is a long-term commitment, and we will continue to work in partnership with the social care workforce and stakeholders to ensure that it brings about long term, sustainable change.

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