



Llywodraeth Cymru  
Welsh Government

IMPACT ASSESSMENT

# Statutory sick pay enhancement scheme: integrated impact assessment

We have assessed how the Statutory sick pay enhancement scheme will impact on a number of areas.

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

## Long term

The UK Government announced the £600m Infection Control Fund for adult social care on 15 May. This fund is aimed at reducing the spread of COVID-19 in care homes and other care settings. Wales has received funding and the intention is for financial support for care workers to be provided to remove any financial incentive for staff to continue to work where they may present an infection risk. **The Statutory Sick Pay Enhancement scheme** will provide funding for care workers who would otherwise receive only statutory sick pay (SSP) up to the level of full pay when they are absent from work for reasons related to COVID-19.

In the medium and longer term, supporting enhancements to SSP during COVID-19 aligns with the Welsh Government's support for the Fair Work agenda. The Social Care Forum is now in operation and aims to improve pay and conditions in social care.

There are longstanding recruitment and retention challenges in social care and particularly in residential and domiciliary care, where this scheme is targeted. This scheme may serve to increase the morale of the workforce by demonstrating the commitment of the Welsh Government to consider their pay and conditions and to recognise the impact on their income due to what could be more than one period of self-isolation due to COVID-19.

Not enacting this scheme could result in care workers not complying with self-isolation and attending work while infectious. Not enacting this scheme could result in care workers leaving their jobs, due to the impact of absences on their income. This loss, particularly of trained and experienced staff, could have a

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long-term impact on the skill level and vacancy rates in social care.

## Prevention

The premise of this scheme is to provide financial support for eligible care staff to stay off work when they:

- have suspected or actual symptoms of COVID-19
- are required to self-isolate due to contact with a member of their household or extended household
- are required to self-isolate as they have been contacted through Test Trace Protect
- have tested positive for COVID-19

90% of the independent care workforce do not receive occupational sick pay. Their income reduces to SSP (£95.85) when they need to take time off for the reasons outlined. This is a significant reduction to workers in a sector, which is recognised as low paid. In this context, the scheme aims to remove the financial disincentive for eligible workers to stay off work due to COVID-19.

There is some research that have considered the links between levels of sick pay and the extent to which this influences workers' behaviour and the impact on infection control. For example:

- **Research at Kent Law School** with a sample of 2,600 English social care workers found the lack of provision of occupational sick pay influenced behaviour, as people believed they could not afford to stop working. The research concluded this was a major risk to public health and contributed to the spread of COVID-19.
- An ONS study found care homes in England where staff receive occupational sick pay are less likely to have residents with COVID-19,

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compared with care homes where staff receive SSP.

The central premise of this scheme is prevention i.e. supporting eligible care workers by enhancing their sickness pay to full pay will reduce the transmission of infection in certain care settings to our most vulnerable citizens.

## Integration

This policy connects and contributes to the overall public policy and public health agenda of reducing the spread and impact of COVID-19. It also connects with policy objectives in Adult and Children's Social Care around the promotion of the health and well-being of people using services and taking measures that are most likely to allow individuals to achieve positive outcomes, since a reduction in the risk of contracting COVID-19 is commensurate with these objectives.

## Collaboration

We have convened a working group of external stakeholders who represent care workers, care providers and local authorities (commissioners). This has comprised representatives from GMB, Unison, RCN, Care Forum Wales and Association of Directors of Social Services Cymru (ADSSC). We have also involved a representative of the Welsh Local Government Association and Welsh Local Authority Treasurers.

## Involvement

Due to the urgency of the scheme, because of its relationship to COVID-19 and infection control related to our most vulnerable citizens in care homes and receiving domiciliary care, we have not directly consulted with individual social care workers using our usual processes for doing so. However, the trade unions

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that represent many care staff (GMB, Unison and RCN) have been involved in our working group meetings.

## Impact

The main purpose of the policy is to reduce the spread of COVID-19 infection to people living in care homes and receiving domiciliary care (and care provided by Personal Assistants). Due to the nature of their work, care workers may be required to self-isolate on several occasions and this would have a significant impact on their income over several months. This may impact on the household income and potentially the provision for their children.

The main challenges to this proposal are that it cannot be extended to all lower paid workers, from the care sector and beyond, whose income is reduced to SSP when they take time off work due to COVID-19. Other care and support workers could object to the eligibility criteria if they are excluded, but whose work brings them into frequent contact with vulnerable people and where they are not always able to maintain social distance.

The impact on workers who do not meet the eligibility for this scheme may be mitigated to an extent by the potential for their inclusion in the proposed scheme to provide a support payment for workers in receipt of benefits who are asked to self-isolate.

## Costs and savings

This scheme is not designed to reduce costs. The proposal recognises that eligible social care workers face a substantial reduction in income when they have a COVID-19 related absence.

The scheme is extremely difficult to cost with accuracy, due to the lack of data

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with regard to the independent social care sector, although projected costs have been put before Ministers. Consequential funding has been received from UK Government from the Infection Control Fund and added to the COVID-19 response reserve.

There will be an overall saving to health and social care from improved infection control and less people with serious and/or enduring illness as a result of COVID-19.

## **Mechanism**

No legislation is required for this proposal.

## **Section 7: Conclusion**

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

We have convened a working group of external stakeholders who represent care workers, care providers and local authorities (commissioners). This has comprised representatives from GMB, Unison, RCN, Care Forum Wales and Association of Directors of Social Services Cymru (ADSSC). We have also involved a representative of the Welsh Local Government Association and Welsh Local Authority Treasurers.

We have met to discuss and develop the detail of the proposal. Due to the need to develop this scheme at pace since it concerns the control of infection in care settings, we have not undertaken a formal consultation process open to individual care workers.

## 7.2 What are the most significant impacts, positive and negative?

The intention of the scheme is to remove any financial disincentive for care staff in care homes and in domiciliary care to stay away from work where they may present an infection risk. Funding is to be provided to 'top up' the income of those care workers in the independent sector whose income reduces to statutory sick pay (SSP) when they take time off work for a reason related to COVID-19. The majority of care workers in the independent sector receive SSP only when they are off sick or need to self-isolate.

The scheme will provide a financial benefit to those care workers included in this scheme, in that they will receive full pay when absent from work due to COVID-19.

## 7.3 In light of the impacts identified, how will the proposal:

- maximise contribution to our well-being objectives and the seven well-being goals
- avoid, reduce or mitigate any negative impacts?

The scheme will maximise its positive impact and well-being objectives where it operates efficiently and consistently across Wales. The scheme should deliver financial support to allow for eligible care workers to receive full pay when they need to take time off directly as a result of COVID-19. The intention of the scheme is that helping staff to do the right thing will reduce the risk of infection in care homes and among those in receipt of domiciliary care or who employ a Personal Assistant. This should directly promote the well-being goals of those in receipt of care.



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

Ministers have asked us to review the scheme at 3 months.

Prevalence of COVID-19 in care homes (residents and staff) is subject to regular testing and monitoring arrangements. This is more challenging with regard to domiciliary care and Personal Assistants, where prevalence rates may be more likely to be included in general population data. We will consider correspondence and other communications and intelligence received from local authorities and colleagues in Social Care Wales and Care Inspectorate Wales.

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